

**UNITED OROGEN LIMITED**  
**ACN 115 593 005**

of Level 7, 231 Adelaide Terrace, Perth WA 6000

**Circular to Shareholders**  
**including**  
**NOTICE OF GENERAL MEETING**  
**EXPLANATORY MEMORANDUM**  
**PROXY FORM**

**General Meeting of United Orogen Limited to be held at  
The Goodearth Hotel, 195 Adelaide Terrace, Perth, Western Australia  
on the 26th of August 2011 commencing at 11.00 am (WST).**

This document should be read in its entirety. If after reading this Circular to Shareholders, you have any questions or doubts as to how you should vote, you should contact your stockbroker, solicitor, accountant or professional adviser.

DATE: 12 July 2011

**UNITED OROGEN LIMITED**  
**ACN 115 593 005**

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## **Corporate Directory**

<b>Directors</b>	Zhukov Pervan MBBS (WA), FRACGP, FAICD Chairman
	David Zohar BSc DipEd Director
	Noel Taylor BSc, MAusIMM, MAIG Director
	John Karajas BSc (Hons) MAIG Director
<b>Company Secretary</b>	Jacy Leu BSc, DipAcctg
<b>Head Office</b>	Level 7 231 Adelaide Terrace PERTH WESTERN AUSTRALIA 6000 Phone: (08) 9225 4936 Fax: (08) 9225 6474 Website: <a href="http://www.uog.com.au">www.uog.com.au</a>
<b>Registered Office</b>	Level 7 231 Adelaide Terrace PERTH WESTERN AUSTRALIA 6000
<b>Auditors</b>	Rothsay Chartered Accountants 96 Parry Street PERTH WESTERN AUSTRALIA 6000
<b>Solicitors</b>	Lawton Gillon Level 11 16 St Georges Terrace PERTH WESTERN AUSTRALIA 6000
<b>Share Registry</b>	Computershare Investor Services Pty Ltd Level 2 45 St Georges Terrace PERTH WESTERN AUSTRALIA 6000
<b>ASX Code</b>	UOG UOGO

## **Notice of General Meeting**

NOTICE IS GIVEN THAT a General Meeting of the Company will be held at The Goodearth Hotel, 195 Adelaide Terrace, Perth, Western Australia on 26 August 2011 commencing at 11:00am WST.

Information on the proposals to which the resolutions set out below relate is contained in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.

**1. AUTHORISATION FOR IRON MOUNTAIN MINING LIMITED TO PURCHASE SECURITIES IN SHORTFALL OFFER**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 10.1 of the Listing Rules of the ASX and sections 208 and 611(7) of the Corporations Act and for all other purposes, the Directors of Iron Mountain Mining Limited be authorised to purchase up to 20,000,000 (TWENTY MILLION) shares and 20,000,000 options exercisable at 20 cents each on or before 31 March 2016 in the shortfall offer of the rights issue of the Company on the terms set out in the Explanatory Memorandum.”

**Voting Exclusion**

For the purposes of ASX Listing Rule 10.1 in relation to Resolution 1, the Company will disregard any votes cast by any party who is a party to the transaction and any associate of such person. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**“Snap-Shot” Time**

The Corporations Act permits the Company to specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the meeting.

The Company’s directors have determined that all shares of the Company that are quoted on ASX at 11 am WST, 24 August 2011 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the shares at that time.

**PROXIES**

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion is not specified each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

**DATED:** 12 July 2011

**BY ORDER OF THE BOARD**



**Jacy Leu**  
Company Secretary  
United Orogen Limited

**UNITED OROGEN LIMITED**  
ACN 115 593 005

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## **Explanatory Memorandum**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting to be held at The Goodearth Hotel, 195 Adelaide Terrace, Perth, Western Australia on 26 August 2011 commencing at 11:00am WST.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolution.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of General Meeting.

### **Background**

A company may not enter into a transaction with a related party without the prior approval of the shareholders of the Company. Iron Mountain Mining Limited (Iron Mountain) is a related party to the Company. David Zohar and Zhukov Pervan are directors of both Iron Mountain and the Company and they hold securities in both companies.

*Table 1.1 Interests of David Zohar and associates, Zhukov Pervan and associates and United Orogen Limited in Iron Mountain Mining Limited*

<b>Name</b>	<b>Total No of shares held</b>	<b>% held</b>	<b>Total No of options held</b>	<b>% held</b>
David Zohar and associates	31,825,657	23.5	12,428,335	17.2
Zhukov Pervan and associates	2,100,000	1.6	2,500,000	3.5
United Orogen Limited (David Zohar and associates hold a 28.6% interest)	23,732,341	17.5	30,000,000	41.6
<b>TOTAL ON ISSUE</b>	<b>135,586,881</b>		<b>72,186,250</b>	

*Table 1.2 Interests of David Zohar and associates, Zhukov Pervan and associates and Iron Mountain Mining Limited in United Orogen Limited*

Name	Total No of shares held	% held	Total No of options held	% held
David Zohar and associates	21,955,721	28.6	6,563,774	46.7
Zhukov Pervan and associates	412,500	0.5	137,500	1.0
Iron Mountain Mining Limited (David Zohar and associates hold a 23.5% interest)	770,379	1.0	256,793	1.8
TOTAL ON ISSUE	76,830,000		14,057,147	

The Company beneficially holds 23,732,241 shares in Iron Mountain and therefore has a relevant interest of 17.5% in Iron Mountain. David Zohar and associates hold a 28.6% interest in United Orogen and therefore have a relevant interest in other securities held by United Orogen under s608(3).

Iron Mountain holds 770,379 shares in the Company and therefore has a relevant interest of 1.0% in the Company. David Zohar and associates have a 41.0% voting power in Iron Mountain and therefore have a relevant interest in the securities in the Company and in other securities under s608(3).

## **RESOLUTION 1 – PURCHASE OF SECURITIES IN SHORTFALL OFFER OF UNITED OROGEN LIMITED**

### **Background to Resolution 1**

United Orogen has made a non-renounceable offer of new fully paid ordinary shares in United Orogen on the basis that every two (2) shares held by shareholders of United Orogen gives those shareholders the right to subscribe for one (1) new share at an issue price of 3 cents per new share plus one (1) free attached option. If any shareholders of United Orogen do not take up their rights to subscribe for new shares, there is a shortfall offer to any other non-shareholders who wish to subscribe for new shares on the same terms. The non-renounceable offer closed on 27 May 2011 leaving a shortfall of 20,329,279 shares and options. The shortfall offer opened on 28 May 2011 and remains open for 3 months.

The Directors of Iron Mountain have resolved to purchase securities in the shortfall offer of United Orogen up to an amount of 20,000,000 shares and 20,000,000 free attaching options to acquire a share in United Orogen for the consideration of up to \$600,000. The Directors of Iron Mountain have resolved that if 20,000,000 shares and options are not available to be purchased in the shortfall offer, then they will purchase the maximum amount available which is less than 20,000,000 shares.

The shares and options will be granted within 1 month of the meeting if shareholder approval is obtained.

The full terms and conditions of the United Orogen rights issue is set out in the Replacement Prospectus of United Orogen. A copy of the United Orogen Replacement Prospectus in its entirety appears as Annexure “A” to this memorandum.

David Zohar and Zhukov Pervan are directors of Iron Mountain and are also directors of United Orogen. For the purposes of Listing Rule 10.1, David Zohar and Zhukov Pervan are persons in a position of influence in both Iron Mountain and United Orogen. Pursuant to Listing Rule 10.1 a company is required to obtain shareholder approval prior to entering into a transaction with a person in a position of influence. In the circumstances, the Company is required to obtain the approval of shareholders to enable the transaction contemplated by Resolution 1 to proceed.

Pursuant to Listing Rule 10.10, to obtain the approval of shareholders pursuant to Listing Rule 10.1 the Company has obtained a report on the transaction from an independent expert, being Stantons International Securities. The independent expert has concluded that the transaction is fair and reasonable to the shareholders of the Company. A copy of the independent expert report in its entirety appears as Annexure “B” to this memorandum.

## **Regulatory Requirements**

### ***Corporations Act – Chapter 2E***

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party, unless it has the approval of its members. David Zohar and Zhukov Pervan are directors of Iron Mountain and of United Orogen. David Zohar and associates have a 41.0% voting power in Iron Mountain and a 28.6% relevant interest in United Orogen. Iron Mountain currently holds a 1.0% relevant interest in United Orogen. Iron Mountain’s relevant interest combined with David Zohar and associates’ relevant interest is 29.6%.

Iron Mountain currently holds 770,379 shares and 256,793 options in United Orogen. If Resolution 1 is passed, Iron Mountain will hold a maximum of 20,770,379 shares and 20,256,793 options in United Orogen. This will increase Iron Mountain’s shareholding in United Orogen from 1.0% to 21.5%. David Zohar and associates will also therefore increase their relevant interest in United Orogen because they have a 41.0% voting power in Iron Mountain. See Tables 1.3 and 1.4 below.

The following information in respect of the proposed share issue is provided to meet the requirements of Chapter 2E of the Corporations Act:

- (a) Who is the related party?

The related parties are United Orogen Limited, David Zohar and associates and Zhukov Pervan and associates.

- (b) What is the nature of the financial benefit?

The financial benefit being provided to United Orogen is up to \$600,000 in exchange for up to 20,000,000 shares and 20,000,000 options in United Orogen as part of the shortfall offer as set out in the Replacement Prospectus for United Orogen annexed to this memorandum as Annexure “A”.

(c) What do the directors recommend?

In relation to Resolution 1:

- Noel Taylor recommends that Iron Mountain be permitted to purchase securities in the shortfall offer because the Company requires funding to continue its exploration activities.
- John Karajas recommends that Iron Mountain be permitted to purchase securities in the shortfall offer because the Company requires funding to continue its exploration activities.
- David Zohar makes no recommendation as he has an interest in the outcome.
- Zhukov Pervan makes no recommendation as he has an interest in the outcome.

(d) Do any directors have an interest in the outcome of the proposed resolution?

None of the directors have a personal interest in the outcome of the proposed resolutions, save for David Zohar and Zhukov Pervan in that they are directors and shareholders of United Orogen and Iron Mountain.

(e) What other information known by the directors would reasonably be required by members regarding the resolution?

If Iron Mountain purchases 20,000,000 shares in United Orogen as a shortfall application as contemplated under Resolution 1, the percentage of shares on issue in United Orogen in which Iron Mountain would have a relevant interest would increase from 1.0% to 21.5% on the assumption that no further shares are issued by United Orogen.

### ***Corporations Act – Part 6.1***

Section 606 of the Corporations Act prohibits a person, from acquiring a "relevant interest" (defined in the Corporations Act as holding or controlling the vote attached to or the disposal of a security) in issued voting shares in a company where as a result of that acquisition that person's or some other person's voting power in the company increases from a level that is below 20% to above 20% or from a level above 20% to below 90%.

A person's "voting power" for these purposes is defined as the total number of votes attached to voting shares in the company in which that person or his associate has a relevant interest expressed as a percentage of the total number of votes attached to all voting shares in the relevant company.

### ***Iron Mountain's interests in United Orogen***

After resolution 1 is passed, Iron Mountain will hold a 21.5% relevant interest in United Orogen. This increases Iron Mountain's relevant interest from 1.0% to 21.5%. Because David Zohar and associates have a 41.0% voting power in Iron Mountain, this increased interest of 20.5% of Iron Mountain in United Orogen may increase David Zohar and associate's voting power in United Orogen from 28.6% to 44.2% as a result of the Company's 21.5% relevant interest through its shareholding in United Orogen.



If Iron Mountain exercises their 20,000,000 options from Resolution 1 before 31 March 2016 and assuming no other shares were issued in that time, Iron Mountain would hold 40,770,379 shares in United Orogen and have a relevant interest of 34.9%.

*Table 1.3 Interests of Iron Mountain, David Zohar and associates and Zhukov Pervan and associates in United Orogen Limited after Resolution 1 is passed*

Name	Total No of shares held	% held	Total No of options held	% held
Iron Mountain Mining Limited	20,770,379	21.5	20,256,793	59.5
David Zohar and associates	21,955,721	22.7	6,563,774	19.3
Zhukov Pervan and associates	412,500	0.4	137,500	0.4
Total on issue	96,830,000		34,057,147	

*Table 1.4 Changes in the relevant interests of Iron Mountain, David Zohar and associates and Zhukov Pervan and associates in United Orogen Limited after Resolution 1 is passed*

Name	% before Resolution 1 is passed	% after Resolution 1 is passed	% change
Iron Mountain Mining Limited	1.0	21.5	+20.5
David Zohar and associates	28.6	22.7	-5.9
Zhukov Pervan and associates	0.5	0.4	-0.1

After Resolutions 1 is passed, David Zohar and associates' relevant interest in United Orogen will be diluted from 28.6% to 22.7%.

If Resolution 1 is passed and Iron Mountain holds a 21.5% relevant interest in United Orogen and David Zohar and associates have a 41.0% voting power in Iron Mountain, David Zohar and associates could potentially have a voting power of 44.2% in United Orogen. Similarly, if the 20,000,000 options held by Iron Mountain are exercised in the future, David Zohar and associates could potentially hold a 53.7% interest in United Orogen. David Zohar and associates also hold options in United Orogen (see Table 1.3 above) and if these exercised in the future they could obtain a further 2.4% interest in United Orogen. (see Tables 1.5 and 1.6 below). Therefore, section 606 of the Corporations Act will be invoked if Resolution 1 is passed.

Section 611(7) of the Corporations Act excludes from the prohibition in Section 606 an acquisition of relevant interests in voting shares in a company by virtue of an allotment if the Company has approved of the allotment by a resolution passed at a general meeting at which no votes were cast in relation to the resolution in respect of any shares held by, or by an associate of, the person to whom the first mentioned shares were to be allotted.

Section 611(7) of the Corporations Act provides that the following information must be provided to Shareholders in connection with a vote on a resolution designed to satisfy its requirements.

The members of the Company must be given all information known to the person proposing to make the acquisition or their associates, or known to the Company, that was material to the decision on how to vote on the resolution, including:

- (i) The identity of the person proposing to make the acquisition and their associates:

Iron Mountain is the direct acquirer. David Zohar and associates and Zhukov Pervan and associates are shareholders of the Company and Iron Mountain. David Zohar and Zhukov Pervan are also directors of the Company and Iron Mountain.

- (ii) The maximum extent of the increase in that person's voting power in the company that would result from the acquisition:

Iron Mountain's voting power will increase from 1.0% to 21.5%.

Iron Mountain's voting power will increase from 1.0% to 34.9% if Iron Mountain exercises its 20 million options before 31 March 2016 and no other shares have been issued in the Company.

- (iii) The voting power that person would have as a result of the acquisition:

21.5% of the Company's then issued 96,830,000 shares. There is a potential for Iron Mountain to obtain 34.9% of the voting power in United Orogen if Iron Mountain exercises its 20 million options before 31 March 2016 and no other shares in United Orogen have been issued. David Zohar and associates have a voting power of 41.0% in Iron Mountain and could therefore increase their voting power through the increase of Iron Mountain's voting power in United Orogen.

- (iv) The maximum extent of the increase in the voting power of each of that person's associates that would result from the acquisition:

21.5% - after Iron Mountain purchases 20 million shares in the shortfall offer.

34.9% - if Iron Mountain exercises its 20 million options before 31 March 2016 and no other shares in the Company have been issued.

- (v) The voting power that each of that person's associates would have as result of the acquisition:

David Zohar and Zhukov Pervan will not have any direct increase in their voting power. Iron Mountain's voting power will increase. David Zohar and associates currently have a voting power of 41.0% in Iron Mountain and Zhukov Pervan holds 1.6% of the voting power in Iron Mountain. If David Zohar and associates' relevant interest in Iron Mountain means that they have the majority of voting power in Iron Mountain, they could potentially

increase their control in United Orogen from 29.6% to 56.1% (assuming no further shares are issued).

Resolution 1 is, therefore, designed to fulfil the requirements of Section 611(7) of the Corporations Act in relation to Iron Mountain purchasing 20 million shares and 20 million options in the shortfall offer from United Orogen.

*Table 1.5 and 1.6 Potential interests of Iron Mountain and David Zohar and associates in United Orogen after Resolutions is passed*

Table 1.5 is the voting power in United Orogen if the 20,000,000 options are exercised by Iron Mountain in the future and assuming that no further shares or options are issued in United Orogen.

<b>Name</b>	<b>Total No of shares held</b>	<b>% held</b>	<b>Total No of options held</b>	<b>% held</b>
Iron Mountain Mining Limited	40,770,379	34.9	256,793	1.8
David Zohar and associates	21,955,721	18.8	6,563,774	46.7
Total on issue	116,830,000		14,057,147	

Table 1.6 is the voting power in United Orogen if David Zohar and associates decide to exercise their options and assuming that no further shares or options are issued in United Orogen.

<b>Name</b>	<b>Total No of shares held</b>	<b>% held</b>	<b>Total No of options held</b>	<b>% held</b>
Iron Mountain Mining Limited	40,770,379	33.0	256,793	3.4
David Zohar and associates	28,519,495	23.1	0	0
Total on issue	123,393,774		7,493,373	

## GLOSSARY

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

<b>“ASX”</b>	means ASX Limited (ABN 98 008 624 691).
<b>“Board”</b>	means Board of Directors.
<b>“Company”</b>	means United Orogen Limited (ACN 115 593 005).
<b>“Corporations Act”</b>	means the Corporations Act 2001 (Cth) and all regulations made pursuant to such legislation, as amended from time to time.
<b>“Director”</b>	means a Director of the Company.
<b>“Iron Mountain”</b>	means Iron Mountain Mining Limited (ACN 112 914 459).
<b>“Listing Rules”</b>	means Listing Rules of ASX, as amended or replaced from time to time, except to the extent of any waiver by ASX.
<b>“Shareholder”</b>	means a member of the Company, as defined in the constitution of the Company.
<b>“Shares”</b>	means ordinary fully paid shares in the capital of the Company.
<b>“United Orogen”</b>	means United Orogen Limited (ACN 115 593 005).
<b>“WST”</b>	means Western Standard Time.

# **Annexure A**

## **United Orogen Limited Replacement Prospectus**

# **UNITED OROGEN LIMITED**

ACN 115 593 005

## **REPLACEMENT PROSPECTUS**

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A pro rata non-renounceable entitlement issue of 1 New Share plus one free attached Option for each 2 Shares held at an issue price of 3 cents per New Share ("Rights Issue")

The Rights Issue closes at 5.00 pm WST on 27 May 2011.

### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Replacement Prospectus you have any questions about the securities being offered under this Replacement Prospectus or any other matter then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Replacement Prospectus should be considered as speculative.

# 1. CORPORATE DIRECTORY

## Directors

Dr Zhukov Pervan, Chairman  
Noel Taylor, Managing Director  
David Alan Zohar, Executive Director  
John Karajas, Non-Executive Director

## Company Secretary

Mark Killmier

## Registered Office

Level 7, 231 Adelaide Terrace  
Perth WA 6000  
T: +61 (0) 8 9225 4936  
F: +61 (0) 8 9225 6474  
E: [@uog.com.au](mailto:@uog.com.au)  
W: [.uog.com.au](http://.uog.com.au)

## Share Registry \*

Computershare Investor Services Pty Limited  
2/45 St Georges Terrace  
PERTH WA 6000  
T: +61 (0)8 9323 2000  
F: +61 (0)8 9323 2033

## Auditor

Rothsay Chartered Accountants  
96 Parry Street  
PERTH WA 6000

## ASX Code:

Ordinary shares      **UOG**

\* This entity has not been involved in the preparation of this Replacement Prospectus and has not consented to being named in this Replacement Prospectus. Their name is included for information purposes only.

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## 2. DATES

The following key dates are indicative only:

<b>Event</b>	<b>Date</b>
<b>Lodgement of Appendix 3B with ASX</b>	<b>28 March 2011</b>
<b>Lodgement of Prospectus with the ASIC and ASX</b>	<b>28 March 2011</b>
<b>Notice containing Appendix 3B information sent to Shareholders</b>	<b>29 March 2011</b>
<b>Ex date</b>	<b>31 March 2011</b>
<b>Record Date for Determining Entitlements</b>	<b>6 April 2011</b>
<b>Replacement Prospectus despatched to Shareholders</b>	<b>18 April 2011</b>
<b>Closing Date* 5.00 pm (WST)</b>	<b>27 May 2011</b>
<b>Securities quoted on a deferred settlement basis</b>	<b>30 May 2011</b>
<b>Despatch of holding statements</b>	<b>6 June 2011</b>
<b>Date of quotation of Securities issued under the Rights Issue*</b>	<b>7 June 2011</b>

\* The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

## 3. IMPORTANT NOTES AND STATEMENTS

### **This Replacement Prospectus**

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Replacement Prospectus is dated 14 April 2011 and was lodged with ASIC on that date. ASIC takes no responsibility for the contents of this Replacement Prospectus.

No New Shares will be allotted or issued on the basis of this Replacement Prospectus later than 13 months after the date of issue of this Replacement Prospectus. New Shares allotted or issued pursuant to this Replacement Prospectus will be allotted or issued on the terms and conditions set out in this Replacement Prospectus.

Applicants should read the entire Replacement Prospectus and if in any doubt should seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

Certain terms and abbreviations used in this Replacement Prospectus have defined meanings, which are explained in Section 7 of this Replacement Prospectus

This Replacement Prospectus is an offer of continuously quoted securities of a corporation. This Replacement Prospectus contains all the information investors and their professional advisers would reasonably require to make an informed assessment of:

- (a) the effect of the offer on the company and the rights; and
- (b) liabilities attaching to the shares offered.

As a disclosing entity for the purposes of the Corporations Act, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Company may be obtained from or inspected at an ASIC office.



The Company will make available to persons who request the following documents:

- (a) the annual financial report most recently lodged with ASIC by the Company;
- (b) any half year financial report lodged with ASIC by the Company after the lodgement of the annual financial report and before the lodgement of the copy of this Replacement Prospectus with ASIC; and
- (c) any continuous disclosure notices given by the Company after the lodgement of the annual financial report and before the lodgement of the copy of this Replacement Prospectus with ASIC.

## **OVERSEAS SHAREHOLDERS**

The distribution of this Replacement Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Replacement Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the New Shares the subject of this Replacement Prospectus or otherwise permit a public offering of the New Shares the subject of this Replacement Prospectus in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the New Shares pursuant to this Replacement Prospectus. The return of a completed Entitlement and Acceptance Form will be taken to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

The Company will be applying for relief from the statutory requirement for a nominee to be appointed to handle the entitlements of foreign shareholders to whom offers cannot practicably be made. In the event that relief is not granted the Company will, subject to the approval of the ASIC, appoint a nominee for foreign holders of the Company's securities. The nominee's role is to subscribe for and be issued with the New Shares that would otherwise have been issued to foreign shareholders if the rights issue had been made available to them and they had accepted. The nominee will arrange for the sale of those New Shares and if they are sold arrange for the net proceeds to be sent to the foreign holders.

## **RISK FACTORS**

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Replacement Prospectus. For further information in relation to the risk factors of the Company please refer to Section 8 of this Replacement Prospectus.

## **ELECTRONIC PROSPECTUS**

This Replacement Prospectus will be issued as an Electronic Replacement Prospectus in relation to the Shortfall. The Replacement Prospectus will be available on the Company's website at [uog.com.au](http://uog.com.au). The offer of New Shares comprising the Shortfall pursuant to an Electronic Replacement Prospectus is only available to persons receiving an electronic version of this Replacement Prospectus within Australia. If you are a shareholder resident outside Australia, you may only apply for Shortfall by way of a hard copy of this Replacement Prospectus.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Replacement Prospectus or it accompanies the complete and unaltered version of this Replacement Prospectus. Any person may obtain a hard copy of this Replacement Prospectus free of charge by contacting the Company.

**New Shares offered by this Replacement Prospectus are speculative**

## 4. CHAIRMAN'S INVESTMENT INVITATION

14 April 2011

United Orogen Limited is pleased to offer its Shareholders the opportunity to subscribe for New Shares by participating in a 1 for 2 Rights Issue.

The Rights Issue plans to raise up to a maximum of \$971,592.80 which will be used to progress exploration and development within the company's portfolio of wholly and majority owned mining tenements that are prospective for gold, base metals and other mineralisation.

The Company's Victorian Desert Project located 250 kilometres east-northeast of Kalgoorlie is prospective for gold and base metals with soil anomalies for both of these metals being identified on the southern part of the project which warrant further exploration.

The northern part of the Victorian Desert Project has gold targets associated with northwest trending structural features identified by aeromagnetic surveys which need further exploration.

The Company's Horseshoe West tenement, which is part of the Company's Horseshoe Project is situated 4 kms to the north of the old Horseshoe Mine. The Company believes this area is very prospective for gold and wishes to carry out a sampling programme targeting gold mineralisation.

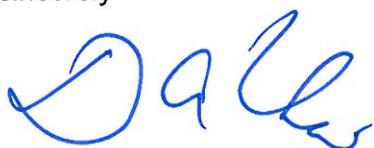
The Company's other gold and base metal projects are also regarded as prospective and cover areas with anomalous sampling and/or geochemical and geophysical anomalies which warrant further exploration.

The details of the Offer of New Shares are described in this Replacement Prospectus. You should have received a personalised Entitlement and Acceptance Application Form with this Replacement Prospectus, but if you are in any doubt, please contact the Company's Share Registry.

Please note that the Closing Date for acceptances is 5.00 pm WST on 27 May 2011. If you wish to participate in this Rights Issue of New Shares and New Options it is essential that your Completed Entitlement and Acceptance Application Form reaches the Company's Share Registry by this time.

If you have any questions or queries regarding the details contained in this document, please contact your financial adviser or our Company Secretary, Mr Mark Killmier, on (08) 9225 4936.

Yours sincerely



David Zohar

for and on behalf of

Dr Zhukov Pervan  
MBBS, FRACGP, FAICD  
Chairman

## 5. EFFECT OF THE RIGHTS ISSUE

### 5.1 Effect on Capital Structure

If the Rights Issue under this Replacement Prospectus is fully subscribed the capital structure of the Company will be as follows:

(a) **Shares**

<b>Number</b>	<b>Contributed Equity</b>	<b>\$</b>
64,772,853	Ordinary Shares on issue prior to Rights Issue (i)	6,699,752.00
32,386,426	New Shares to be issued under this Replacement Prospectus (i)	971,592.80
	Less: Estimated costs of the Rights Issue	(37,475.97)
<u>97,159,279</u>	<b>Total contributed equity (i)</b>	<u>\$7,633,868.83</u>

(b) **Options**

<b>Number</b>	<b>Options on Issue</b>
nil	quoted Options
32,386,426	New Options exercisable at 20 cents each expiring 31 March 2016 (i)
<u>32,386,426</u>	<b>Total Options following Rights Issue</b>

(i) It is assumed that no existing Options are exercised and that no further Shares are issued by the Company on or before the Record Date.

(ii) Shareholders who do not accept their Entitlement in full will, if all the New Shares are issued and all the free attached Options are exercised, have their percentage shareholding in the Company diluted by up to 50%.

### 5.2 Pro-Forma Statement of Financial Position

If no existing Options are exercised prior to the Record Date and full subscription is reached, the Rights Issue will have an effect on the Company's financial position by increasing Shareholders' funds and net assets by approximately \$971,592.80 (less expenses).

The interim Statement of Financial Position of the Company as at 31 December 2010 and an unaudited Pro-Forma Statement of Financial Position at that date based on the completion of the Rights Issue are set out below.

	<b>Audit Reviewed Statement of Financial Position as at 31 December 2010 \$</b>	<b>Pro-forma Statement of Financial Position as at 31 December 2010 \$</b>
<b>CURRENT ASSETS</b>		
Cash	224,418	1,158,534
Receivables	24,769	24,769
<b>Total Current Assets</b>	<u>249,187</u>	<u>1,183,303</u>
<b>NON-CURRENT ASSETS</b>		
Available for sale financial assets	836,068	836,068
Property, plant and equipment	1,413,542	1,413,542
<b>Total Non-Current Assets</b>	<u>2,249,610</u>	<u>2,249,610</u>
<b>TOTAL ASSETS</b>	<u>2,498,797</u>	<u>3,432,913</u>
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	74,166	74,166
Provisions	9,944	9,944
<b>Total Current Liabilities</b>	<u>84,110</u>	<u>84,110</u>
<b>Total Liabilities</b>	<u>84,110</u>	<u>84,110</u>
<b>NET ASSETS</b>	<u>2,414,687</u>	<u>3,348,803</u>
<b>EQUITY</b>		
Contributed equity	6,699,752	7,633,868
Reserves	912,573	912,573
Accumulated losses	(5,197,638)	(5,197,638)
<b>TOTAL EQUITY</b>	<u>2,414,687</u>	<u>3,348,803</u>

The above Pro forma Statement of Financial Position has been prepared on the basis of the following:

- (1) no existing Options are exercised prior to the Record Date, and the Company does not issue any Shares from the date of this Replacement Prospectus to the Record Date;
- (2) the Rights Issue is fully subscribed;
- (3) expenses of the Rights Issue are estimated at \$37,475.97 (which are written off against the Contributed Equity account); and
- (4) no commissions have been included in the expenses of the Rights Issue however if there is a Shortfall and that Shortfall is placed through brokers or holders of Australian Financial Services Licences commissions may be paid by the Company. If there is no Shortfall, no commission will be payable.

## 6. RIGHTS ISSUE DETAILS

### 6.1 The Rights Issue

The Company is making a non-renounceable offer of New Shares on the basis that for every two (2) Shares held by Shareholders at the Record Date, Shareholders will have the right (but not the obligation) to subscribe for one (1) New Share at an issue price of 3 cents per New Share plus one (1) free attached Option (the "**Rights Issue**").

The Rights Issue is non-renounceable and Shareholders may not sell or transfer all or any part of their Entitlement to this Rights Issue on ASX or otherwise.

As at the date of this Replacement Prospectus, the Company currently has 64,772,853 Shares on issue and nil existing Options on issue. Holders of existing Options will not be entitled to participate in the Rights Issue however they may exercise their existing Options prior to the Record Date if they wish to participate in the Rights Issue. Assuming none of these existing Options are exercised prior to the Record Date, the number of New Shares offered under this Replacement Prospectus will be 32,386,426.

Shareholders may accept their Entitlement in whole or in part, or may decide not to accept their Entitlement at all. Shareholders who do not accept their Entitlement in full will, as a result of the Rights Issue, have their percentage shareholding in the Company diluted.

Shareholders wishing to take up all or part of their Entitlement under the Rights Issue can only do so by completing the personalised Entitlement and Acceptance Form which accompanies this Replacement Prospectus.

It is important that Shareholders consider the Rights Issue carefully. If Shareholders are in doubt as to the course of action they should follow, they should consult their professional adviser.

### 6.2 Rights Issue Price

The issue price of the New Shares is 3 cents each, payable in full upon acceptance. The New Shares will be issued as fully paid ordinary Shares. The free attaching Options will be granted for nil consideration.

### 6.3 Purpose of the Issue

Assuming no existing Options are exercised prior to the Record Date and full subscription is reached, the issue of New Options under this Replacement Prospectus will raise approximately \$971,592.80 before expenses.

The funds raised by the Rights Issue will be used to progress the Company's development of the following projects:

- **Victoria Desert Project** \$250,000.00

In the southern part of the project, closer spaced infill surface sampling of previous gold and base metal anomalies delineated from previous sampling on an 800 m by 100 m grid with the aim of identifying drill targets in the vicinity of those previous anomalies.

In the northern part of the project two untested gold targets associated with north west trending structures identified from previous aeromagnetic surveys.

<ul style="list-style-type: none"> <li>• <b>Horseshoe Project</b></li> </ul> <p>Sampling programme targeting north west striking structurally controlled gold mineralisation in order to identify targets for a future drilling programme.</p>	\$150,000.00
<ul style="list-style-type: none"> <li>• <b>Redmond Project</b></li> </ul> <p>Sourcing historical maps and records and detailed open file research to determine the exact location of the previously reported Blue Gum gold prospect and then, using modern day exploration techniques including drill testing, determining the gold and base metal potential of the project.</p>	\$120,000.00
<ul style="list-style-type: none"> <li>• <b>Gunnado Project</b></li> </ul> <p>Detailed open file research of all data and 2 previous completed diamond drill cores with a view to utilising that data and cores for possible down hole geophysical work with the aim of detecting any deep conductors and possible gold and base metals mineralisation.</p>	\$100,000.00
and also for:	
<ul style="list-style-type: none"> <li>• working capital purposes; and</li> </ul>	\$314,116.83
<ul style="list-style-type: none"> <li>• to meet the costs of the Rights Issue.</li> </ul>	\$37,475.97
<b>TOTAL</b>	<b>\$971,592.80</b>

These figures are based on the Company receiving the full amount of \$971,592.80. If a lesser amount is received, the above figures will be adjusted.

#### **6.4 Entitlements and Acceptance**

A personalised Entitlement and Acceptance Form accompanies this Replacement Prospectus. Shareholders who wish to accept all or part of their Entitlement must complete and lodge their Entitlement and Acceptance Form together with the appropriate acceptance monies in accordance with the instructions set out on that form.

If you decide not to accept your Entitlement, you need not do anything. However, your percentage shareholding in the Company will be diluted. If you decide not to accept all or part of your Entitlement, the New Shares not accepted by you will form part of the Shortfall Offer and your Entitlement to subscribe for New Shares under the Rights Issue will be dealt with in accordance with Section 6.5 of this Replacement Prospectus.

The number of New Shares accepted on the personalised Entitlement and Acceptance Form must not exceed the entitlement shown on the Entitlement and Acceptance Form. If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be still accepted by the Company. The Company's decision as to whether to accept the application and how to construe, amend or complete it shall be final, but no Applicant will be treated as having offered to purchase more New Shares than is indicated by the amount of the cheque for the application monies and any surplus application monies will be returned, without interest.

Completed Entitlement and Acceptance Forms together with the appropriate application monies must reach the Company's share registry at the following address on or before the Closing Date:

Computershare Investor Services Pty  
Limited  
2/45 St Georges Terrace  
PERTH WA 6000

Computershare Investor Services Pty  
Limited  
Locked Bag 2508  
PERTH WA 6001

Any Entitlement not accepted will form part of the Shortfall Offer to be dealt with in accordance with Section 6.5 of this Replacement Prospectus.

Payment must be made to **United Orogen Limited** by cheque crossed "**not negotiable**" and must be in Australian dollars.

## **6.5 Shortfall Offer**

Any Entitlement not taken up pursuant to the Rights Issue will form the Shortfall Offer. The Directors reserve the right to issue Shortfall Shares and Options at their absolute discretion. Shareholders who wish to subscribe for Shortfall Shares and Options are invited to complete the field on their Entitlement and Acceptance Form accompanying this Replacement Prospectus and return it to the Company together with a separate cheque for the value of the Shortfall Shares. Non-Shareholders who wish to subscribe for Shortfall Shares and Options are invited to complete a Shortfall Application Form accompanying this Replacement Prospectus and return it to the Company together with a cheque for the value of the Shortfall Shares.

The Directors reserve the right to allot to an Applicant a lesser number of Shortfall Shares and Options than the number for which the Applicant applies for on their Shortfall Application Form, or to reject an application, or to not proceed with placing the Shortfall.

The Shortfall Offer is a separate offer made pursuant to this Replacement Prospectus and will remain open for up to three (3) months following the Closing Date. The issue price for each Shortfall Shares shall be 3 cents, being the price at which New Shares have been offered under the Rights Issue. Any Shortfall Shares and Options placed through holders of Australian Financial Services Licences may be paid a fee for doing so.

## **6.6 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing share certificates. The Company is a participant in CHES for those investors who have a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation. Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities allotted to them under this Replacement Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## **6.7 ASX Listing**

Application for official quotation by ASX of the New Shares offered by this Replacement Prospectus has been made. If the New Shares are not admitted to quotation on ASX before the expiration of 3 months after the date of this Replacement Prospectus, the Company will not issue any New Shares and will repay all acceptance and application monies for the New Shares as soon as practicable, without interest.

The fact that ASX may admit the New Shares offered by this Replacement Prospectus to quotation is not to be taken in any way as an indication of the merits of the Company or the New Shares and Options.

## **6.8 Opening and Closing Dates**

The Rights Issue will open for acceptances of Entitlements on 18 April 2011. The Closing Date for acceptances will be 27 May 2011. The Directors reserve the right to vary the Opening Date and Closing Date, subject to compliance with ASX Listing Rules.

## **6.9 Participation**

All Shareholders at the Record Date are entitled to participate in the Rights Issue on the basis of one (1) New Share plus one free attached Option for every two (2) Shares held on the Record Date. Any holders of Shares issued and allotted as a result of existing Options being exercised prior to the Record Date will also be able to participate in the Rights Issue.

## **6.10 Allotment**

New Shares will be allotted within 6 Business Days after the Closing Date.

In accordance with the Corporations Act, all application monies shall, before allotment and issue of New Shares and Options pursuant to this Replacement Prospectus, be held by the Company in trust in a bank account established solely for that purpose. Any interest earned on the acceptance money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares takes place.

## **6.11 Overseas Eligible Shareholders**

No offer of New Shares will be made to Shareholders resident outside Australia and New Zealand.

The Company will be applying for relief from the statutory requirement for a nominee to be appointed to handle the entitlements of foreign shareholders to whom offers cannot practicably be made.

In the event that relief is not granted the Company will, subject to the approval of the ASIC, appoint a nominee for foreign holders of the Company's securities. The nominee's role is to subscribe for and be issued with the New Shares that would otherwise have been issued to foreign shareholders if the rights issue had been made available to them and they had accepted. The nominee will arrange for the sale of those New Shares and if they are sold arrange for the net proceeds to be sent to the foreign holders.

New Shares to which any Shareholders who are not resident in Australia or New Zealand would otherwise be entitled will form part of the Shortfall.

**This Replacement Prospectus and accompanying Entitlement and Acceptance Form do not, nor are they intended to constitute an offer in any place in which, or to any person to whom it would not be lawful to make such an offer.**

## **6.12 Enquiries**

Enquiries concerning the Entitlement and Acceptance Form should be directed to Computershare Investor Services Pty Limited by telephone on 1300 557 010 (within Australia) or +61 (0)8 9323 2000 or facsimile on +61 (0)8 9323 2033.

Enquiries relating to this Replacement Prospectus should be directed to the Company by telephone on (08) 9225 4936 or facsimile on (08) 9225 6474 or e-mail on [@uog.com.au](mailto:@uog.com.au).



### 6.13 Privacy Statement

If you apply for New Shares you will be asked to provide personal information to the Company (and the Company's share registry on its behalf) which collects, holds and uses that personal information in order to assess your application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration.

Under the Privacy Act 1988 (as amended), you may request access to your personal information held by (or on behalf of) the Company. You can do this by contacting the Company's share registry, details of which are set out in Section 1.

### 6.14 Underwriting

The Rights Issue is not underwritten and there is no minimum subscription.

### 6.15 Costs of issue

The estimated costs of the issue are:

ASIC fees	\$3,097.00
ASX fees	\$4,378.97
Legal	\$20,000.00
Printing and postage	\$10,000.00
<b>TOTAL</b>	<b>\$37,475.97</b>

No commissions have been included in the expenses of the Rights Issue however if there is a Shortfall and that Shortfall is placed through brokers or holders of Australian Financial Services Licences commissions may be paid by the Company. If there is no Shortfall, no commission will be payable.

## 7. RIGHTS ATTACHING TO SHARES

### 7.1 Rights and Liabilities Attaching to the New Shares

The New Shares to be issued pursuant to this Replacement Prospectus will rank *pari passu* in all respects with the Company's existing Shares.

The rights, privileges and restrictions attaching to Shares are set out in the Constitution of the Company. These rights include (but are not limited to) the following:

**Voting Rights:** Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none) and provided no amount due and payable in respect of a call is unpaid, at a general meeting of the Company every holder of ordinary shares present in person or by proxy, attorney, or representative has on a show of hands one vote and on a poll one vote per share (provided that partly paid shares confer a fraction of a vote equal to the proportion that the amount paid bears to the total issue price of those shares).

**Dividend Rights:** Subject to the Constitution and to the rights attaching to shares issued on special conditions (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible among the holders of ordinary shares in proportion to the number of shares held by them respectively and are paid irrespective of the amount paid or credited as paid on those shares.

**Rights on Winding-up:** Subject to the Constitution, the Corporations Act and the rights of holders of shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all monies and property that are to be legally distributed among Shareholders on a winding-up will be distributed in proportion to the shares held by them respectively, irrespective of the amount paid up or credited as paid up on the shares. However, where a member is in arrears in payment of any call on shares but whose shares (of whatever class) have not been actually forfeited, that member is not entitled to share in that distribution until the owing amount in respect of the call has been fully paid and satisfied.

**Transfer of Shares:** Except as provided by law, the ASX Listing Rules, the SCH Business Rules and the Constitution, the Company's shares are freely transferable.

**Issue of Further Shares:** The allotment and issue of any new shares is under the control of the Directors and, subject to any restrictions on the allotment of shares imposed by the Company's Constitution, the ASX Listing Rules or the Corporations Act, the Directors may issue those new shares on such terms and conditions, and with such rights and at such times, as they may determine.

**Variation of Rights:** At present the Company has only ordinary shares on issue. If shares of another class are issued, the rights and privileges attaching to the ordinary shares can only be altered with the sanction of a special resolution passed at a separate general meeting of the holders of the ordinary shares or, failing that with the written consent of the holders of at least three-quarters in nominal value of the ordinary shares.

**General Meetings:** Each Shareholder is entitled to receive notice of, and to attend and (subject to the Constitution) vote at, general meetings of the Company.

A copy of the Company's Constitution is available for inspection by prospective investors at the Company's registered office.

## 7.2 Terms and Conditions of Options

### TERMS AND CONDITIONS OF OPTIONS EXPIRING 31 MARCH 2016

(AMOUNT PAYABLE: 20 CENTS)

1. Entitlement  
Each Option shall entitle the holder the right to subscribe (in cash) for one (1) Share in the capital of the Company.
2. Option Period  
Each Option will expire at 5.00pm WST on 31 March 2016 (such date being referred to as the "Option Expiry Date"). Each Option may be exercised at any time prior to the Option Expiry Date in accordance with the notice provisions set out below and any Option not so exercised shall automatically expire on the Option Expiry Date.
3. Ranking of Share Allotted on Exercise of Option  
Each Share allotted as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of allotment.
4. Voting  
A registered owner of an Option (herein referred to as an "Option Holder") will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being Option Holder, members of the Company.
5. Transfer of an Option  
Each Option is transferable at any time prior to the Option Expiry Date. This right is subject to any restrictions on the transfer of an Option that may be imposed by the ASX in circumstances where the Company is listed on ASX.
6. Method of Exercise of an Option
  - a. The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (herein such notice being called a "Notice of Exercise of Options"). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company to be received prior to the Option Expiry Date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of Shares in the capital of the Company to be allotted; which number of Options must be a multiple of 10,000 if only part of the Option Holders total Options are exercised, or if the total number of Options held by an Option Holder is less than 10,000, then the total of all Options held by that Option Holder must be exercised.
  - b. The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of 20 cents (\$0.20) per Share.
  - c. Subject to Clause 7 hereof, the exercise of less than all of an Option Holders Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holders entitlement under the Option Holders remaining Options.

- d. Within 14 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
- e. If the Company is listed on the ASX, the Company will within seven (7) days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules.
- f. The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.

7. Reconstruction

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

8. Participation in New Share Issues

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the Option Expiry Date unless and until the Options are exercised. The Company will ensure that during the exercise period of the Options, the Record Date for the purposes of determining Entitlements to any new such issue, will be at least 6 Business Days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

9. Change of Options' Exercise Price or Number of Underlying Shares.

There are no rights to change the exercise price or the number of underlying Shares if there is a pro-rata issue or bonus issue to the holders of Shares.

## **8. ADDITIONAL INFORMATION**

### **8.1 Risk Factors**

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Replacement Prospectus, before deciding whether to apply for Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

#### ***Exploration Risk***

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the project areas, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

#### ***Operating Risks***

The operations of the Company may be affected by various factors, including:

- failure to locate or identify mineral deposits;
- failure to achieve predicted grades in exploration and mining;
- operational and technical difficulties encountered in mining;
- difficulties in commissioning and operating plant and equipment;
- mechanical failure or plant breakdown;
- unanticipated metallurgical problems which may affect extraction costs;
- adverse weather conditions and acts of God;
- industrial and environmental accidents;
- industrial disputes; and
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

#### ***Resource Estimates***

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

## ***Commodity Price Volatility and Exchange Rate Risks***

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious, base and other metals, technological advancements, forward selling activities and other economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

## ***Environmental Risks***

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

## ***Title Risks and Native Title***

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

## ***Share Market Conditions***

The market price of the Securities and the value of the Company will be subject to fluctuations in line with the volatility of the share market in general. The prices for the Securities on the ASX may rise or fall due to numerous factors such as general economic conditions, variations in the global and local markets for listed securities generally, movements in, or outlook on, interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand for, and supply of, capital stock, securities or commodities.

The prices for shares for many companies have in recent times been subject to wild fluctuations which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions, acts of terrorism and the general state of the economy. Such market fluctuations may materially adversely affect the market price of the Securities.

There can be no guarantee that an active market in the Securities will develop or that the price of the Securities will increase. The number of buyers and sellers of the Securities on

the ASX at any time may increase the volatility of the market price of the Securities and may also affect the prevailing market price at which Applicants are able to sell their Securities.

### ***General Investment Risks***

The Company's future possible revenue and operations may be affected by a number of factors which are beyond the control of the Company. Those factors include:

- local and world economic conditions;
- interest rates;
- levels of tax, taxation law and accounting practice;
- government legislation or intervention;
- inflation or inflationary expectations; and
- natural disasters, social upheaval or war in Australia or overseas.

### ***New Resources Tax***

The Commonwealth Government has announced a proposal to introduce legislation to establish a Minerals Resources Rent tax. It was announced that the proposed new tax will become operational from 1 July 2012 and apply to the mining of iron ore and coal.

Full details of the new tax have not been confirmed and in those circumstances the Company is not in a position to assess the impact, if any, of such tax on the Company going forward.

### ***Regulatory***

The introduction of new policies, legislation or amendments to existing policies or legislation by governments or the interpretation of those laws in any of the legal jurisdictions which govern the Company's operations or contractual obligations could impact adversely on the assets, operations and ultimately the financial performance of the Company and its Securities.

### ***Additional Funding Requirements***

The Directors expect that the proceeds of the Offer will provide sufficient working capital to enable the Company to achieve its initial business objectives. The Directors can, however, give no assurances that such objectives will in fact be met without future borrowings or further capital raisings and, if such borrowings or capital raisings are required, that they can be obtained on terms favourable to the Company.

In addition, expenditure may need to be incurred which has not been taken into account in the preparation of this Replacement Prospectus. Although the Company is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

### ***Uninsured Risks***

Exploration for and development of minerals involves risks which could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all losses or liabilities which could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or tenure of the Company's assets may be materially affected.

## ***Specific Risks associated with the Company***

There are also a number of specific risks associated with the Company which may adversely affect the Company's financial position, prospects and price of its Securities. In particular, the Company is subject to risks relating to the exploration and development of mineral properties which are not generally associated with other businesses.

Set out below are specific risks that may adversely affect the Company:

- the Company cannot guarantee that those tenements that are applications for tenements will ultimately be granted in whole or in part pursuant to the Mining Act;
- the Western Australian Department of Mines and Petroleum ("Department") from time to time reviews the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company;
- the estimated exploration costs of the Company described in section 6.3 of this Replacement Prospectus are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice and this may materially and adversely affect the Company's viability;
- the approval processes for uranium mining are more rigorous than for the mining of other metals, as both Commonwealth and State Government legislation needs to be satisfied. There is a risk that, should economic deposits of uranium be discovered, the necessary government approvals may not be granted, or may be significantly delayed.

## **8.2 Interests of Directors**

Other than as set out below or elsewhere in this Replacement Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has or had within 2 years before the lodgement of this Replacement Prospectus with the ASIC, any interest in:

- the promotion or formation of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Other than as set out below or elsewhere in this Replacement Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated, and no benefits have been given or agreed to be given to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Rights Issue.

### ***Directors' Remuneration***

The existing Board of Directors consists of a Managing Director, 2 non-executive Directors and an executive Director. Shareholders have approved the Company paying Directors' fees of up to a maximum of \$100,000.00 per annum to be divided between Directors as they see



fit, until such time as any different amount is approved by Shareholders. The current policy is to pay non-executive Directors \$45,000.00 per annum.

In the 2 years to the date of this Replacement Prospectus, Dr Zhukov Pervan was paid Directors' fees totalling \$75,000.00 including superannuation.

In the 2 years to the date of this Replacement Prospectus, John Karajas was paid Directors' fees totalling \$75,000.00 including superannuation.

The Directors are entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or in connection with the performance of their duties as Directors. Subject to the Corporations Act and ASX Listing Rules, if a Director is called upon to perform extra duties or make special exertions on behalf of the Company, the Directors may remunerate that Director which may either be in addition to or in substitution for his usual Director's fees.

#### ***Directors' Interests in Securities***

At the date of this Replacement Prospectus the relevant interest of each of the Directors in the securities of the Company are as follows:

<b>Director</b>	<b>Ordinary Shares (direct)</b>	<b>Ordinary Shares (indirect)</b>	<b>Quoted Options</b>	<b>Entitlement to New Shares under this Replacement Prospectus</b>	<b>Entitlement to New Options under this Replacement Prospectus</b>
David Zohar	5,127,545	10,264,402	nil	7,695,973	7,695,973
Zhukov Pervan	225,000	50,000	nil	137,500	137,500
Noel Taylor	nil	nil	nil	nil	nil
John Karajas	5,525,000	nil	nil	2,762,500	2,762,500

The Directors' holdings of Options are as follows:

<b>Director</b>	<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry date</b>
David Zohar	nil		
Zhukov Pervan	nil		
Noel Taylor	nil		
John Karajas	nil		

#### ***Proposed transaction with Iron Mountain Mining Limited:***

The Company has entered into 2 transactions with Iron Mountain Mining Limited ("Iron Mountain"). Iron Mountain is a related party of the Company. David Zohar and Zhukov Pervan are directors of both Iron Mountain and the Company.

As the Company and Iron Mountain are related parties the transactions are subject to the approval of the shareholders of Iron Mountain and the Company. The Company has prepared a notice of meeting and explanatory memorandum in relation to the transactions ("Notice of Meeting") and proposes to send Shareholders a copy of the Notice of Meeting at the same time as this Replacement Prospectus. The Notice of Meeting contains important information and the Directors recommend that Shareholders and investors review the Notice of Meeting. For the avoidance of doubt the Notice of Meeting is being incorporated by reference under section 712 of the Corporations Act.

In summary the Notice of Meeting contains the following resolutions:

1. Sale of 113 Mackie Street, Victoria Park to Iron Mountain

The consideration to be provided by Iron Mountain to the Company is:

- (a) \$85,000.00;
- (b) 10 million fully paid ordinary shares in Iron Mountain; and
- (c) 15 million options in Iron Mountain exercisable at 20 cents each on or before 1 May 2016.

2. Sale of tenements to Iron Mountain

The Company proposes to sell its interests in Exploration Licences E25329, E25894, E25346 to Iron Mountain. The consideration to be provided by Iron Mountain to the Company is:

- (a) 3.5 million shares fully paid ordinary shares in Iron Mountain; and
- (b) 15 million options in Iron Mountain exercisable at 20 cents each on or before 1 May 2016.

3. Grant of Options to Noel Taylor

It is proposed that the Company grant Noel Taylor, the Company's Managing Director, 2 million options in the Company exercisable at 20 cents each on or before 1 May 2016.

The proposed transactions could have a significant effect on the voting power of David Zohar and associates in Iron Mountain.

As set out in more detail in the Notice of Meeting, if resolutions 1 and 2 above are passed the Company's relevant interest in Iron Mountain will increase from 8.49% to 17.5%. David Zohar and associates would also hold a 22.9% relevant interest in Iron Mountain. In these circumstances David Zohar and associates could potentially have a voting power of 40.4% in Iron Mountain. This is based on David Zohar and associates having voting power in the Company from their 23.8% relevant interest. In addition, if the Company were to exercise the options it will be issued if resolutions 1 and 2 above are passed, David Zohar and associates could potentially have a voting power of 51.2% in Iron Mountain. David Zohar and associates also hold options in Iron Mountain. If these options are exercised in the future David Zohar and associates could obtain a further relevant interest in Iron Mountain taking their voting power to 54.6%.

Shareholders and investors should refer to the Notice of Meeting for further details of the proposed transaction and David Zohar and associates' voting power in Iron Mountain.

The Company will provide a copy of the Notice of Meeting, free of charge, to any shareholder or investor who so requests a copy during the application period under this Replacement Prospectus. All requests for a copy of the Notice of Meeting should be

addressed to the Company Secretary, United Orogen Limited, Level 7, 231 Adelaide Terrace, Perth, Western Australia or facsimile (08) 9225 6474.

In addition if no shareholder other than David Zohar and associates (including Iron Mountain) take up their entitlement to New Shares and Options under this Replacement Prospectus and David Zohar and associates (including Iron Mountain) exercises all of their Options David Zohar and associates (including Iron Mountain) relevant interest in the Company could increase from 24.59% to 39.18% (see table below). David Zohar and associates have voting power in Iron Mountain from their 25.5% relevant interest in Iron Mountain.

	<b>Total No of shares held currently</b>	<b>% held</b>	<b>Total No of shares held if no shareholder other than David Zohar takes up their entitlements and David Zohar exercises his Options</b>	<b>% held</b>
David Zohar and associates	15,391,947	23.8	30,783,894	37.91
Iron Mountain Mining Limited (David Zohar and associates currently hold a 25.5% relevant interest)	513,586	0.79	1,027,172	1.27
<b>TOTAL ON ISSUE</b>	<b>64,772,853</b>		<b>81,191,972</b>	

### **Executive Services**

William Bannister resigned on 17 December 2010. William Bannister had an executive services agreement with the Company at the rate of \$150,000.00 per annum plus superannuation.

Noel Taylor was appointed Managing Director on 17 December 2010. Noel Taylor has an executive services agreement with the Company at the rate of \$150,000.00 per annum plus superannuation.

David Zohar has an executive services agreement with the Company at the rate of \$90,000 per annum plus superannuation.

The Company employs Mark Killmier as Chief Financial Officer. Mark Killmier is employed and remunerated by Iron Mountain Mining Ltd. Iron Mountain Mining Ltd charges for the time spent by Mark Killmier on the Company's affairs. In the 2 years to the date of this Replacement Prospectus Iron Mountain Mining Ltd has received fees of \$35,220.64 for the time spent by Mark Killmier on the Company's affairs.

### **8.3 Interests of Experts**

Other than as set out elsewhere in this Replacement Prospectus, no expert, promoter or any other person named in this Replacement Prospectus as performing a function in a

professional advisory or other capacity in connection with the preparation or distribution of the Replacement Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Replacement Prospectus, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue,

and no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid and no benefits given or agreed to be given to any expert, promoter or any other person named in this Replacement Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Replacement Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by them in connection with the promotion or formation of the Company or the Rights Issue.

Rothsay Chartered Accountants are the auditors to the Company. They have provided audit services to the Company during the last two years totalling approximately \$9,900.00 (inclusive of GST).

#### **8.4 ASX Listing, Continuous Disclosure and Documents Available for Inspection**

As a "disclosing entity", the Company has issued this Replacement Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure ("ED") securities and options to acquire quoted ED securities, and the securities are in a class of securities that were quoted ED securities at all times in the 12 months before the issue of this Replacement Prospectus.

As a "disclosing entity" the Company is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is, or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company. Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the ASX Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Replacement Prospectus.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

The New Shares to be issued under this Replacement Prospectus are in respect of a class of shares that were continuously quoted securities at all times in the 12 months before the issue of this Replacement Prospectus.

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Replacement Prospectus:

- (a) the Financial Year Report for United Orogen Limited for the period ended 30 June 2010;
- (b) the Interim Financial Statements for the Half-Year Financial Report for United Orogen Limited for the period ended 31 December 2010; and

- (c) the following documents used to notify ASX of information relating to United Orogen Limited during the period after lodgement of the financial statements contained in the Financial Year Report for United Orogen Limited for the period ended 30 June 2010 and before the issue of this Replacement Prospectus:

<b>Date</b>	<b>Contents</b>
30/03/2011	Initial Substantial Shareholder notice
29/03/2011	Initial substantial Shareholder notice
29/03/2011	United Orogen Rights Issue Letter to non Aust and NZ holders
29/03/2011	United Orogen Ltd Rights Issue Letter to Shareholders
28/03/2011	UOG Rights Issue and Prospectus
28/03/2011	Rights Issue
11/03/2011	Project Update
31/01/2011	Quarterly Activities and Cashflow Report
31/12/2010	United Orogen Ltd Trading Policy
17/12/2010	Response to ASX Query
17/12/2010	Final Director`s Interest Notice Appendix 3Z
17/12/2010	Initial Director`s Interest Notice Appendix 3X
17/12/2010 !	Managing Director Retirement and new appointment
06/12/2010	MTH: Huckitta Update 2010
01/12/2010	Results of Meeting
30/11/2010	Exploration Update
29/10/2010	United Orogen Quarterly Activities and Cashflow Report
26/10/2010	Notice of 2010 Annual General Meeting
26/10/2010	United Orogen 2010 Annual Report

This Replacement Prospectus has been prepared under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act and as such contains details specific to the Rights Issue. If Shareholders, or investors, require any further information in relation to the Company, the Directors recommend that they take advantage of the ability to inspect and obtain copies of the documents referred to above. All requests for copies of the above documents should be addressed to the Company Secretary, United Orogen Limited, Level 7, 231 Adelaide Terrace, Perth, Western Australia or facsimile (08) 9225 6474.

## 8.5 Share Trading History

The highest, lowest and last closing market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Replacement Prospectus with the ASIC and the respective dates of those sales were:

	Price	Date
Highest	5 cents	2 February 2011
Lowest	2.3 cents	21 March 2011
Last	4.0 cents	13 April 2011

## 8.6 Expenses of the Rights Issue

The expenses of the Rights Issue are estimated to be \$37,475.97. These expenses are payable by the Company.

## 8.7 Litigation

The Company is not currently involved in any litigation at the date of this Replacement Prospectus.

## 8.8 Consents

Each of the parties referred to in this Section:

- does not make, or purport to make, any statement in this Replacement Prospectus or on which a statement made in the Replacement Prospectus is based, other than as specified in this Section; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Replacement Prospectus other than a reference to its name and a statement included in this Replacement Prospectus with the consent of that party as specified in this Section.

Rothsay Chartered Accountants consents to being named in this Replacement Prospectus as the auditors of the Company and to the reference in this Replacement Prospectus to the Interim Financial Statements for the Half-Year Financial Report for the Company for the period ended 31 December 2010 in the form and context in which the Interim Financial Statement is included, and has not withdrawn such consent before lodgement of this Replacement Prospectus with the ASIC.

There are a number of persons referred to elsewhere in this Replacement Prospectus who are not experts and who have not made statements included in this Replacement Prospectus nor are there any statements made in this Replacement Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Replacement Prospectus and did not authorise or cause the issue of this Replacement Prospectus.

## 8.9 Electronic Replacement Prospectus

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Replacement Prospectus on the basis of a paper Replacement Prospectus lodged with the ASIC and the issue of Shares and

Options in response to an electronic application form, subject to compliance with certain provisions. The Company is relying on this exemption in relation to the offer of Shortfall.

The Replacement Prospectus will be available as an Electronic Replacement Prospectus on the Company's website at [.uog.com.au](http://uog.com.au) .

The offer pursuant to an Electronic Replacement Prospectus is only available for applications for the Shortfall and to persons receiving an electronic version of this Replacement Prospectus within Australia.

If you have received this Replacement Prospectus as an Electronic Replacement Prospectus please ensure that you have received the entire Replacement Prospectus accompanied by the Shortfall Application Form. If you have not, please e-mail the Company at [@uog.com.au](mailto:@uog.com.au) and the Company will send to you, without charge, either a hard copy or a further electronic copy of the Replacement Prospectus or both.

The Company reserves the right not to accept a Shortfall Application Form from a person if it has reason to believe that when that person was given access to the electronic Shortfall Application Form, it was not provided together with the Electronic Replacement Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such case, the application monies received will be dealt with in accordance with section 722 of the Corporations Act.

## 9. DIRECTORS' AUTHORISATION

This Replacement Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Replacement Prospectus are not misleading or deceptive and that in respect to any other statements made in the Replacement Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Replacement Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Replacement Prospectus with the ASIC, or to the Directors knowledge, before any issue of New Shares pursuant to this Replacement Prospectus.

The Replacement Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Replacement Prospectus with the ASIC and has not withdrawn that consent.

DATED this 14<sup>th</sup> day of April 2011



David Zohar

Director

**UNITED OROGEN LIMITED**



## 10. DEFINITIONS

\$	Australian dollars. All amounts in this Replacement Prospectus are in Australian currency unless otherwise stated.
Applicant(s)	The person(s) who submit valid Entitlement & Acceptance Forms pursuant to this Replacement Prospectus.
Application	A valid application made to subscribe for a specified number of Shares pursuant to this Replacement Prospectus.
ASIC	Australian Securities and Investments Commission.
ASTC Settlement Rules	means the settlement rules of the securities clearing house which operates CHESSE.
ASX	ASX Limited (ACN 006 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules	the official listing rules of ASX.
Board	the board of Directors.
Business Day	every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.
CHESSE	the Clearing House Electronic Subregister System.
Closing Date	the last date for receipt of completed Entitlement and Acceptance Forms, being 5.00 pm WST 27 May 2011, or such other date as the Directors may determine.
Company or United Orogen	United Orogen Limited (ACN 115 593 005)
Corporations Act	Corporations Act 2001 (Cth).
Directors	the directors of the Company.
Electronic Replacement Prospectus	the electronic version of the Replacement Prospectus.
Entitlement	the right of a Shareholder to subscribe for New Shares (and free attaching New Options) in the Rights Issue.
Entitlement and Acceptance Form	the personalised entitlement and acceptance form accompanying every paper copy of this Replacement Prospectus sent to Shareholders.
Listing Rules	the official Listing Rules of ASX.
New Shares	a fully paid ordinary share in the Company.
Offer	The Rights Issue pursuant to this Replacement Prospectus to subscribe for New Shares.
Official List	The Official List of ASX.
Opening Date	the first date for receipt of completed Entitlement and Acceptance Forms, being 18 April 2011.
Option	an option to acquire a Share.
Replacement Prospectus	This Replacement Prospectus dated 14 April 2011 and includes the Electronic Replacement Prospectus.
Record Date	5.00 pm WST 6 April 2011.
Rights Issue	The pro rata non-renounceable entitlement issue pursuant to this Replacement Prospectus of up to 32,386,426 New Shares on the basis of one New Share plus 1 free attached option exercisable at 20 cents for every 2 shares held on the Record Date at an issue price of 3 cents per New Share to raise up to approximately \$971,592.80 before expenses.

Section	a section of this Replacement Prospectus.
Securities	New Shares and free attaching New Options.
Share	an ordinary share in the capital of the Company.
Shareholders	holders of Shares in the Company on the Record Date.
Shortfall	shortfall in subscription of New Shares (and free attaching New Options) under the Rights Issue pursuant to this Replacement Prospectus.
Shortfall Application Form	the Shortfall Application Form accompanying this Replacement Prospectus.
Shortfall Offer	the offer of any Shortfall.
Shortfall Options	free attaching New Options not taken up by Shareholders under the Rights Issue.
Shortfall Shares	New Shares not taken up by Shareholders under the Rights Issue.
WST	Western Standard Time.

# UNITED OROGEN LIMITED

ACN 115 593 005

## SHORTFALL APPLICATION FORM

(FOR SHORTFALL OFFER ONLY)

*Capitalised terms used in this application form are, unless otherwise defined herein, as defined in the Replacement Prospectus to which this form is attached.*

Shareholders wishing to accept their Entitlement to New Shares under the Rights Issue cannot use this Shortfall Application Form. They must use the personalised Entitlement and Acceptance Form which accompanied their copy of the Replacement Prospectus.

This application will only be considered after the Closing Date of 27 May 2011. Applicants should read the Replacement Prospectus dated 14 April 2011 in its entirety before deciding to apply under the New Shares Offer.

**United Orogen Limited**  
**Level 7**  
**231 Adelaide Terrace**  
**Perth WA 6000**

I/We apply for \_\_\_\_\_ New Shares (number of shares applied for) in United Orogen Limited at 3 cents each, or such lesser number of New Shares as may be allocated by the Directors.

I/We lodge full application monies of \$\_\_\_\_\_.00 (amount of your cheque)

**Complete Full Name:**

(Applicant) \_\_\_\_\_  
(Mr/Mrs/Miss/Ms or Company Name) (given names) (surname)

(Joint Applicant) \_\_\_\_\_  
(Mr/Mrs/Miss/Ms or Company Name) (given names) (surname)

**Address Details:** \_\_\_\_\_  
(number and street)

\_\_\_\_\_  
(suburb or city) (State) (postcode)

**Telephone Details:** \_\_\_\_\_  
STD ( ) (Home) STD ( ) (Business) (contact name)

**Email Address:** \_\_\_\_\_

**Cheque Details:** \_\_\_\_\_  
(Drawer) (Bank) (Branch)

**Broker Sponsored Applicants Only:**

SBN/IPN \_\_\_\_\_ HIN \_\_\_\_\_

This Shortfall Application Form does not need to be signed. By lodging this Shortfall Application Form and a cheque for the application monies, the applicant hereby:

1. applies for the number of New Shares specified in the Shortfall Application Form or such lesser number as may be allocated by the Directors as instructed by the Directors;
2. agrees to be bound by the terms and conditions set out in the Replacement Prospectus and the Constitution of the Company;
3. authorises the Directors to complete or amend this Shortfall Application Form where necessary to correct any errors or omissions;
4. acknowledges that an application for Shortfall does not guarantee an allotment of New Shares.

## SHORTFALL APPLICATION FORM AND INSTRUCTIONS TO APPLICANTS

Please complete all relevant sections of the Shortfall Application Form using BLOCK LETTERS. If you have questions on how to complete this Shortfall Application Form please telephone (08) 9225 4936.

The Shortfall Application Form relates to the one for two non-renounceable pro rata Rights Issue of up to 32,386,426 New Shares at an issue price of 3 cents each to raise up to approximately \$971,592.80 pursuant to the Replacement Prospectus dated 14 April 2011. The expiry date of the Replacement Prospectus is the date which is 13 months after the date of the Replacement Prospectus. The Replacement Prospectus contains information about investing in the New Shares of the Company and it is important to read this document before applying for New Shares. A person who gives another person access to this Shortfall Application Form must at the same time and by the same means, give the other person access to the Replacement Prospectus, and any supplementary Replacement Prospectus (if applicable). While the Replacement Prospectus is current, the Company will send paper copies of the Replacement Prospectus, and any supplementary Replacement Prospectus (if applicable) and a Shortfall Application Form, on request to applicants without charge.

The Replacement Prospectus does not constitute an offer in any place where or to any person to whom it would not be lawful to make such an offer.

Please post or deliver the completed Shortfall Application Form together with your cheque to the address listed below:

**United Orogen Limited  
Level 7  
231 Adelaide Terrace  
PERTH WA 6000**

so as to reach the Company on or before the last date instructed by the Company.

Please write your name in full. This must be either your own name or the name of a company. You should refer to the examples noted for the correct forms of name which can be registered. Applications using the incorrect form of name may be rejected. If your Shortfall Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. Any decision as to whether to treat your application as valid, and how to construe, amend or complete it, shall be final. You will not, however, be treated as having offered to subscribe for more New Shares than is indicated by the amount of the accompanying cheque for the application monies referred to.

Your address should be your preferred postal address for all correspondence. All communications to you from the Company's Registry (shareholding statements, annual/interim reports, correspondence, etc) will be mailed to the person(s) and address as shown.

### **CORRECT FORMS OF REGISTRABLE TITLE**

Note that ONLY legal entities can hold Shares. The application must be in the name(s) of a natural person(s), companies or other legal entities acceptable to United Orogen Limited. At least one full given name and the surname is required for each natural person. Applications cannot be made by persons under 18 years of age. Examples of the correct form of registrable title are set out below:-

<b>Type of Investor</b>	<b>Correct Form of Registrable Title</b>	<b>Incorrect Form of Registrable Title</b>
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith	John Smith (Deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith	Smith Investment Club
Superannuation Funds	John Smith Pty Ltd	John Smith Superannuation Fund

# **Annexure B**

## **Independent Expert Report**

7 June 2011

The Directors  
United Orogen Limited  
Level 7  
231 Adelaide Terrace  
PERTH WA 6000

Dear Sirs

**Re: UNITED OROGEN LIMITED (“UOG” OR “THE COMPANY”) (ACN 115 593 005) ON THE PROPOSAL TO ISSUE SECURITIES TO IRON MOUNTAIN MINING LTD (“IRON MOUNTAIN” OR “IMM”) TO RAISE A GROSS UP TO \$600,000 AND EXERCISE UP TO 20,000,000 SHARE OPTIONS. MEETING OF SHAREHOLDERS PURSUANT TO AUSTRALIAN SECURITIES EXCHANGE LIMITED (“ASX”) LISTING RULE 10.1 AND/OR THE CORPORATIONS ACT 2001 (ITEM 7).**

## 1. Introduction

- 1.1 We have been requested by the Directors of UOG to prepare an Independent Expert's Report to determine the fairness and reasonableness relating to the proposal to issue up to 20,000,000 ordinary shares (and 20,000,000 free attached share options, exercisable at 20 cents each, on or before 31 March 2016) in UOG to Iron Mountain to raise a gross up to \$600,000 (“Shortfall Placement”). Resolution 1 in the Notice and the ES refers to the proposal to place shares (and free attached share options) to Iron Mountain.
- 1.2 The Company has recently completed a right issue to shareholders at 3 cents per share. A prospectus (“Prospectus”) was sent to all shareholders in April 2011 and the rights issue if fully subscribed would result in the issue of a further 32,386,426 shares at 3 cents each along with 32,386,426 free attached share options (1 free share option for every 1 new share subscribed for) to raise a gross \$971,592.80. The share options are exercisable at 20 cents each, on or before 31 March 2016. The rights issue closed on 27 May 2011 and as at that date existing shareholders took up 12,057,147 shares (and 12,057,147 free attaching share options) and the Company raised a total of \$361,714 before capital raising costs (estimated at approximately \$37,476). These shares were issued to shareholders of UOG on 3 June 2011. Iron Mountain has agreed to take up to 20,000,000 shares (“Shortfall Shares”) (along with 20,000,000 free attached Shortfall Options) at 3 cents per Shortfall Share. If Iron Mountain takes up the 20,000,000 Shortfall Shares, the Company will raise \$600,000 (before exercise of any Shortfall Options by Iron Mountain). Iron Mountain owns 770,379 shares (and 256,793 share options) in UOG as at 3 June 2011. For the purposes of this report the collective 20,000,000 Shortfall Shares and up to 20,000,000 Shortfall Options are known as the Shortfall Securities.
- 1.3 David Zohar (“Zohar”) and Zhukov Pervan (“Pervan”) are directors of both Iron Mountain and UOG. In addition David Zohar and his spouse Julie Zohar and Swancove Enterprises Pty Ltd, a company controlled by David Zohar and Julie Zohar (“Zohar Group”) own, as at 3 June 2011, 31,096,530 shares in Iron Mountain representing approximately 22.93% of Iron Mountain's shares on issue at that date and 21,955,721 shares in UOG representing approximately 28.58% of the shares on issue in UOG as at 3 June 2011. In addition, the interests of the Zohar Group own a total of 12,428,335 share options in Iron Mountain that if exercised (and no other share issues occurred) would result in the Zohar Group's shareholding interest in Iron Mountain approximating 29.41%. Pervan and his deemed

associates own 2,100,000 shares (and 2,500,000 share options) in Iron Mountain and 412,500 shares (and 137,500 share options) in UOG.

Pursuant to ASX Listing Rule 10.1 a company is required to obtain shareholder approval prior to entering into a transaction with a person in a position of influence.

- 1.4 Under Section 606 of TCA, a person must not acquire a relevant interest in issued voting shares in a company if because of the transaction, that persons or someone else's voting power in the company increases:
- (a) from 20% or below to more than 20%; or
  - (b) from a starting point that is above 20% and below 90%.

Under Section 611 (Item 7) of TCA, Section 606 does not apply in relation to any acquisition of shares in a company approved by resolution passed at a general meeting at which no votes were cast in favour of the resolution by the acquirer or the disposer or their respective associates. An independent expert is required to report on the fairness and reasonableness of the transaction pursuant to a Section 611 (Item 7) meeting.

In the event that 20,000,000 Shortfall Shares (and 20,000,000 Shortfall Options) are issued to Iron Mountain, the shareholding interest in UOG by Iron Mountain will increase from 770,379 shares (approximately 1.00% of the issued capital of UOG) to 20,770,379 shares in UOG representing approximately 21.45% of the expanded issued capital of UOG. UOG will receive \$600,000. If the 20,000,000 Shortfall Options are exercised by Iron Mountain, the number of shares held by Iron Mountain in UOG would increase to 40,770,379 that would represent approximately 34.90% of the expanded issued capital of UOG (in the absence of any further share issues). Iron Mountain would need to pay UOG the sum of \$4,000,000 to exercise the Shortfall Options. If, in addition the 256,793 share options that are owned by IMM are exercised by Iron Mountain, the number of shares held by Iron Mountain in UOG would increase to 41,027,172 that would represent approximately 35.04% of the expanded issued capital of UOG (in the absence of any further share issues). Iron Mountain would need to pay UOG the sum of \$51,358 to exercise the 256,739 share options.

- 1.5 Therefore a notice prepared in relation to a meeting of shareholders convened for the purpose of ASX Listing Rule 10.1 must be accompanied by an Independent Expert's Report stating whether the proposals to allow Iron Mountain to subscribe for up to 20,000,000 Shortfall Shares (and 20,000,000 free attached Shortfall options) and allow the exercise of the 20,000,000 Shortfall Options that are to be issued as noted under resolution 1 to Iron Mountain are fair and reasonable. To assist shareholders in making a decision on the proposed placement of the Shortfall Securities and allowing the Shortfall Options to be exercised into new shares in UOG, the directors have requested that Stantons International Securities prepare an Independent Expert's Report, which must state whether, in the opinion of the Independent Expert, the issue of the up to 20,000,000 Shortfall Shares and up to 20,000,000 Shortfall Options and allowing the exercise of the up to 20,000,000 Shortfall Options as noted in resolution 1 are fair and reasonable to the non-associated shareholders of UOG (not associated with the Zohar Group and Pervan).
- 1.6 Apart from this introduction, this report considers the following:
- Summary of opinion
  - Implications of the proposals
  - Corporate history and nature of business of UOG and Iron Mountain
  - Future direction of UOG
  - Basis of valuation of UOG Shares
  - Premium for control
  - Reasonableness of the Sales
  - Conclusion as to reasonableness of the Sales
  - Conclusion as to the fairness and reasonableness of the Shortfall Issue
  - Sources of information
  - Appendix A and Financial Services Guide

- 1.7 In determining the fairness and reasonableness of the issue of Shortfall Securities to Iron Mountain, we have had regard for the definitions set out by the Australian Securities and Investments Commission ("ASIC") in its Regulatory Guide 111, "Content of Expert Reports". Regulatory Guide 111 states that an opinion as to whether an offer is fair and/or reasonable shall entail a comparison between the offer price and the value that may be attributed to the securities under offer (fairness) and an examination to determine whether there is justification for the offer price on objective grounds after reference to that value (reasonableness). The concept of "fairness" is taken to be the value of the offer price, or the consideration, being equal to or greater than the value of the securities in the above mentioned offer. Furthermore, this comparison should be made assuming 100% ownership of the "target" and irrespective of whether the consideration is scrip or cash. An offer is "reasonable" if it is fair. An offer may also be reasonable, if despite not being "fair", there are sufficient grounds for security holders to accept the offer in the absence of any higher bid before the close of the offer.

Accordingly, our report relating to the receipt of cash and issue of Shortfall Securities to Iron Mountain is concerned with the fairness and reasonableness of the proposals with respect to the existing non-associated shareholders of UOG (not associated with Iron Mountain, the Zohar Group and Pervan).

- 1.8 **In our opinion, taking into account the factors noted elsewhere in this report including the factors (positive, negative and other factors) noted in section 7 of this report, the proposals as outlined in paragraph 1.2 and resolution 1 may on balance be considered to be fair and reasonable.**

## 2. Implications of the Proposals

- 2.1 As at 3 June 2011, there were 76,830,000 ordinary fully paid shares on issue in UOG (after the issue of 12,057,147 shares from the Rights Issue). The significant fully paid shareholders as at that date based on the top 20 shareholders list were believed to be:

	No. of fully paid shares	% of issued fully paid shares
David Alan Zohar	7,500,002	9.76
Julie Zohar	7,500,002	9.76
Swan Cove Enterprises Pty Ltd	6,500,000	8.46
John Karajas	5,525,000	7.19
Eagle Nickel Limited	1,904,250	2.48
Shellgrove Pty Ltd	1,000,000	1.30
	29,929,254	38.95

The top 20 shareholders at 3 June 2011 owned approximately 48.93% of the ordinary issued capital of the Company.

In the event that 20,000,000 Shortfall Shares are issued to Iron Mountain, the shareholding interest in UOG by Iron Mountain will increase from approximately 1.0% to 20,770,379 shares in UOG representing approximately 21.45% of the expanded issued capital of UOG. UOG will receive \$600,000. If the 20,000,000 Shortfall Options are exercised by Iron Mountain, the number of shares held by Iron Mountain in UOG would increase to 40,770,379 that would represent approximately 34.90% of the expanded issued capital of UOG (in the absence of any further share issues). Iron Mountain would need to pay UOG the sum of \$4,000,000 to exercise the Shortfall Options.

- 2.2 The current Board of Directors of UOG is not expected to change in the near future as a result of the issue of the Shortfall Securities.
- 2.3 The Company after completion of the Mackie Street Property and certain Tenements to Iron Mountain (shareholders approved the sale of the Mackie Street property and sale of certain tenements in May 2011 and settlement took place on 3 June 2011) own a total of 23,732,341 shares in Iron Mountain and a total of 30,000,000 share options in Iron Mountain.



### 3. Corporate History and Nature of Business

#### UOG

3.1 UOG is listed on the ASX. Its focus is mineral exploration in Australia. Its more significant areas of interest are:

- Horseshoe Project in WA - gold targets
- Victoria Desert Project in WA– gold, base metals and uranium targets
- Gunnado Project in WA – gold and base metal targets

#### Iron Mountain

3.2 Iron Mountain is listed on the ASX. Its focus is mineral exploration in Australia. Its more significant areas of interest are:

- Wandoo Project in WA - Alumina targets with a global announced inferred resource of 80 million tonnes
- Miaree Project in WA - Iron ore and gold targets. Iron Mountain earning a 70% interest from Red River Resources Limited
- Mt Richardson in WA – 2% royalty right on iron ore
- Wongan Hills Project in WA – 20% interest in an iron ore target
- Blythe Project – iron ore project that is planned to be sold in 2011
- Bona Well Project – iron ore and uranium targets
- Kunanalling Project – may be surrendered in 2011

### 4. Future Directions of UOG

4.1 We have been advised by the directors and management of UOG that:

- There are no proposals currently contemplated either whereby UOG will sell any properties or assets to Iron Mountain or where UOG would acquire assets from Iron Mountain;
- The composition of the Board will not change in the short term as noted above;
- The Company is to seek to raise further working capital and that it may issue up to 20,000,000 Shortfall Shares at 3 cents per share (and 20,000,000 free attached Shortfall Options exercisable at 20 cents each) to raise \$600,000. The issue of any Shortfall Securities to Iron Mountain is subject to UOG shareholder approval and resolution 1 refers;
- No dividend policy has been set and it is not proposed to be set until such time as the Company is profitable and has a positive cash flow; and
- The Company will endeavour to enhance the value of its interests in its existing mineral assets.

### 5. Basis of Valuation of UOG

5.1 In considering the proposals as outlined in resolution 1, we have sought to determine whether the issue price of the Shortfall Shares to Iron Mountain is in excess of the current fair value of the shares in UOG on issue and whether the proposed placement is at a price that UOG could make to unrelated third parties and then conclude whether the proposal is fair and reasonable to the existing non associated shareholders of UOG.

5.2 The valuation methodologies we have considered in determining a theoretical value of a UOG share are:

- Capitalised maintainable earnings/discounted cash flow;
- Takeover bid - the price at which an alternative acquirer might be willing to offer;
- Adjusted net asset backing and windup value; and
- The recent market prices of UOG shares.

### 5.3 Capitalised maintainable earnings and discounted cash flows.

5.3.1 Due to UOG's current operations, a lack of profit history arising from business undertakings and the lack of a reliable future cash flow from a current business activity, we have considered these methods of valuation not to be relevant for the purpose of this report. The exploration and potential development of any projects cannot proceed without further expenditure on exploration and evaluation and ultimately further funds for capital and working capital expenditure. Currently, UOG does not have sufficient funds and thus any perceived technical values of the projects is theoretical as without funds further exploration activities and development will not be possible. Refer below for details on the net asset backing of UOG as at 30 April 2011.

### 5.4 Takeover Bid

5.4.1 It is possible that a potential bidder for UOG could purchase all or part of the existing shares, however no certainty can be attached to this occurrence. To our knowledge, there are no current bids in the market place and the directors of UOG and ourselves have formed the view that there is unlikely to be any takeover bids made for UOG in the immediate future. However, if the 20,000,000 Shortfall Shares are issued, Iron Mountain will increase its shareholding interest to approximately 21.45% of the expanded ordinary issued capital of UOG before the exercise of any outstanding share options. It is noted that Iron Mountain is associated with UOG via David Zohar and Pervan being directors of both companies. In addition, as at 3 June 2011, the Zohar Group owns approximately 22.93% of Iron Mountain and approximately 28.58% of UOG. In effect, control of UOG is already in the hands of the Zohar Group.

### 5.5 Adjusted Net Asset Backing

5.5.1 We set out below an unaudited consolidated Balance Sheet of UOG as at 30 April 2011 after allowing an estimated \$150,000 for administration and exploration costs to be incurred in between May 2011 and June 2011, adjusting for the sale of the Mackie Street property and certain Northern Territory Tenements that were settled in June 2011 (valuing the shares in IMM at say 10.5 cents per share) and allowing for net cash funds from the May 2011 Rights Issue of approximately \$324,238.

	<b>UOG (as adjusted) 30 April 2011 \$000's</b>
<b>Current Assets</b>	
Cash	299
Receivables	8
Prepayments	11
	<u>318</u>
<b>Non Current Assets</b>	
Fixed assets	8
Capitalised exploration costs	-
Investments	2,626
	<u>2,634</u>
Total Assets	<u>2,952</u>
<b>Current Liabilities</b>	
Trade and other payables	122
Other Loans	50
Employee entitlements	14
Total Current Liabilities	<u>186</u>
Total liabilities	<u>186</u>
<b>Net Assets</b>	<u><u>2,766</u></u>

<b>Equity</b>	
Issued capital	6,979
Reserves	912
Accumulated losses	(5,125)
<b>Net Equity</b>	<u>2,766</u>

- 5.5.2 The unaudited adjusted book net tangible asset backing as at 30 April 2011 equates to approximately 3.60 cents per share based on 76,830,000 ordinary shares on issue. Assuming the issue of 20,000,000 Shortfall Shares at 3 cents per share to raise a gross \$600,000, the net asset backing would rise to approximately \$3,366,000 and the number of shares on issue would be 96,830,000 for a net asset backing per share of approximately 3.47 cents. Cash reserves that are presently low would increase by up to \$600,000.
- 5.5.3 We have accepted the book amounts of UOG's current assets and non current assets. We have been assured by the management of UOG that they believe the carrying value of all current assets and liabilities at 30 April 2011 (as adjusted) are fair and not materially misstated. However, we note that the majority of the net assets of UOG comprise investments in other ASX listed companies including Iron Mountain but the adjusted unaudited statement of financial position has taken into account the shares held in IMM by UOG at 10.5 cents each, being the share price of an IMM share trading on ASX as at 2 June 2011. An external technical valuation of the mineral assets of UOG has not been undertaken as it is considered more appropriate (for the purpose of considering the fairness and reasonableness of the proposed issue of 20,000,000 Shortfall Shares to Iron Mountain) to consider the market value of the UOG shares. However it is noted that the up to 20,000,000 Shortfall Shares are being issued at the same price as the shares issued under the Rights Issue.
- 5.5.4 We note that the market has been informed of all of the current projects, joint ventures and farm in/farm out arrangements entered into between UOG and other parties. We also note it is not the present intention of the Directors of UOG to liquidate the Company and therefore any theoretical value based upon wind up value or even net book value (as adjusted), is just that, theoretical. The shareholders, existing and future, must acquire shares in UOG based on the market perceptions of what the market considers a UOG share to be worth. The market has either generally valued the vast majority of junior/mid size mineral exploration and development companies at significant discounts or premiums to appraised technical values and this has been the case for a number of years although we also note that there is an orderly market for UOG shares and the market is kept fully informed of the activities of the Company. The market has ascribed a current value as noted below.

## 5.6 Market Price of UOG Fully Paid Ordinary Shares

- 5.6.1 We set out below a summary of the fully paid share prices of UOG since January 2011.

2011	High Cents	Low Cents	Last Sale Cents	Volume Trade (000's)
January	4.7	4.0	4.6	149
February	5.0	4.5	4.5	1,341
March	4.0	2.7	4.0	598
April	4.0	2.8	2.8	94
May	2.8	2.4	2.4	232
June (to 6th)	2.5	2.5	2.7	195

The volume of trades in UOG shares is quite low and the share price can be affected by relatively small volumes. However, UOG is a listed entity and it would be remiss not to refer to the share prices in evaluating the fairness of the proposed issue price of the Shortfall Shares of 3 cents each that is planned with Iron Mountain. It is noted that the adjusted book net asset backing per share as at 30 April 2011 approximates 3.6 cents but with a company that has minimal working capital and has an urgent need to raise new working capital to continue in existence.

- 5.6.2 Generally, the market is a fair indicator of what a share is worth, however the theoretical technical value based on the underlying value of assets and liabilities may be lower or higher. In the case of UOG, current liquidity is not strong and it is noted that cash and receivables as at 30 April 2011 (as adjusted) totalled \$307,000 whilst trade creditors and other liabilities totalled \$186,000. The cash position is not high and the Company requires an urgent inflow of additional funds. Arguably, the market value of a UOG share lies in the range of 2.4 cents to 3.0 cents but this price could not be sustained unless the Company raises further funds. In the absence of sufficient cash resources, the Company cannot continue an exploration programme and meet on going working capital requirements. The share price would drift downwards until cash is received. As noted the Rights Issue was undertaken at 3 cents each when the share price of an UOG share was in the range of 2.6 cents to 3.3 cents (to date of issue of the original Prospectus was on 28 March 2011).

Considering ASX Listing Rule 7.3.3 allows the issue of shares at a discount of up to 20% of the market value (weighted average over five days where the issue price is not predetermined) then it is accepted that the ability of issuing shares to Iron Mountain pursuant to resolution 1 is in the range of 1.9 cents to 2.4 cents, being 80% of 2.4 cent and 3.0 cent share prices. Many issues of shares in junior exploration companies have been undertaken at discounts between 20% and 50%. We note that the issue price of the Shortfall Shares is at the same price as the Rights Issue price completed in May 2011.

- 5.7 The future value of an UOG share will depend upon, inter alia:

- The successful exploitation of the current mineral assets of UOG;
- The state of the gold, uranium and base metal markets (and prices) in Australia and overseas;
- The cash position of the UOG;
- The state of Australian and overseas stock markets;
- Membership and control of the Board and management of UOG;
- General economic conditions; and
- Liquidity of shares in UOG.

## 6. PREMIUM FOR CONTROL

- 6.1 Premium for control for the purposes of this report, has been defined as the difference between the price per share, which a buyer would be prepared to pay to obtain or improve a controlling interest in the Company and the price per share which the same person would be required to pay per share, which does not carry with it control or the ability to improve (increase) control of the Company.
- 6.2 Under TCA, control may be deemed to occur when a shareholder or group of associated shareholders control more than 20% of the issued capital. As noted above, Iron Mountain's shareholding interest in UOG would increase from approximately 1.00% to approximately 21.45% if Iron Mountain subscribed for the 20,000,000 Shortfall Shares at 3.0 cents each as envisaged under resolution 1. Accordingly, we have addressed whether a premium for increased control will be paid.
- 6.3 The May 2011 and early June 2011 market values of a UOG share lies in the range of approximately 2.4 cent to 2.8 cents but as noted below the share price would drift down well below 2.4 cents in the absence of a capital raising to alleviate the poor cash position of UOG. In the event that the 20,000,000 Shortfall Shares are subscribed for by IMM, IMM's shareholding would increase to approximately 21.45%. However, it is recognised that including the Zohar Group's shareholding interest in UOG at approximately 28.58%, the combined interests of Iron Mountain and the Zohar Group may approximate 44.12% of the expanded issued capital of UOG and could increase further to approximately 53.69% if the Shortfall Options were exercised by Iron Mountain. As Iron Mountain may acquire up to 20,000,000 Shortfall Shares at 3.0 cents each it could be argued that on balance Iron Mountain is probably paying a premium for increased control based on share prices in UOG shares over the past 4 weeks but may not be paying a premium for increased control based on adjusted net book asset backing per share. However the shareholders of UOG are

arguably better off as the Company would receive \$600,000 in either August or September 2011 that will alleviate short term liquidity issues and provide cash for working capital.

## **7 Conclusion as to the fairness and reasonableness of the proposal under resolution 1**

- 7.1 We set out below some of the advantages and disadvantages and other factors pertaining to the proposed placement of up to 20,000,000 Shortfall Shares and free attaching Shortfall Options (and allowing the Shortfall Options to be exercised) to Iron Mountain pursuant to resolution 1 of the Notice.

### Advantages

- 7.2 By entering into the proposal with the Iron Mountain, the short term cash position is improved that will allow UOG to obtain new working capital and continue with the on-going exploration of its mineral projects. Currently, the net cash position is extremely low. The placement should alleviate short term cash flow concerns in the immediate future (however a further capital raising will probably be needed later in 2011 or some time in 2012).
- 7.3 In the event that the capital raising from IMM does not proceed or the Company cannot raise adequate working capital from other sources, there is the strong likelihood that the share price of a UOG share may fall from present prices. UOG, in the absence of a capital raising will experience liquidity concerns.
- 7.4 The issue price of the Shortfall Shares is at a discount to UOG market prices achieved in early to mid February 2011 that is not unreasonable but is being undertaken at the same price (3.0 cents per Shortfall Share) as the recent Rights Issue as noted above. In the current market it is extremely difficult for small exploration companies such as UOG to raise equity and if raised significant discounts to recent traded share prices would need to be offered. It is not uncommon to offer discounts in the current market of between 20% and 50%. It is noted in a mid 2010 newspaper article that the average discount for small to mid cap companies (that included industrial and mineral companies) was around 22.2%. Arguably it could be higher for mineral exploration/producer companies that are not profitable and have negative cash flows. The Shortfall Placement is relatively small to overcome short term cash needs. If the Company continues to have positive results on its existing projects (that it can only do if it raises the short term monies as envisaged by the Shortfall Placement), there is an increased chance that future capital raisings may be undertaken at a higher price than the 3.0 cent per share price envisaged under the Shortfall Placement with Iron Mountain.
- 7.5 There is a continuing incentive for Iron Mountain to ensure UOG becomes a viable mineral exploration and development company as Iron Mountain (and the Zohar Group will continue to have a significant interest in UOG. Iron Mountain is taking a risk in investing further funds into UOG as to a large extent, UOG's future share price may be determined by the exploitation and/or commercial success (or otherwise) of its exploration portfolio that is not large. There is a huge incentive for Iron Mountain and the Zohar Group to make UOG a successful company and have the share price rise considerably. All shareholders would benefit from a rise in the share price.
- 7.6 No brokerage costs are being paid for the total Shortfall Placement of 20,000,000 Shortfall Shares. It is normal for brokerage fees to be approximately between 4% and up to 7.5% of the cash raised. This is some saving to the Company.

### Disadvantages

- 7.7 The number of fully paid ordinary shares on issue initially rises by 20,000,000 to 96,830,000. This represents an approximate 26.03% increase in the ordinary shares of the Company. However if the initial Rights Issue had issued all shares available under the Rights Issue, the number of shares would have increased to 97,159,279.

- 7.8 An increased influential shareholding of the Company is being given to Iron Mountain in that they would immediately have voting control of approximately 21.45% of the expanded ordinary issued capital after the successful ratification and implementation of resolution 1. However, with the Zohar Group, effective control is already 29.58%.

#### Other Factors

- 7.9 The proposed issue price under the Shortfall Placement is below the net asset backing per share value of approximately 3.60 cents. However, we do not consider that undue weighting should be given to asset backing as share issues of ASX listed companies are normally undertaken based on share prices and more often that not at a discount to market. The major asset of UOG is shares in IMM that may be difficult to sell due to the large shareholding and relatively low turnover in trading of IMM shares on ASX.
- 7.10 If the Shortfall Placement to Iron Mountain does not proceed, the Company will be in financial difficulties. The Company would be forced to seek alternative funds. The Company is not in a position to advise whether an alternate capital raising would be successful and at what price the Company will be able to raise further funding.
- 7.11 Iron Mountain may increase its shareholding in UOG if it exercises the 20,000,000 Shortfall Options at 20 cents per share and pay UOG the sum of \$4,000,000. At this stage based on an UOG share price over the past 12 months, the exercise is unlikely but if exercised the Company would benefit from the increased cash reserves. Iron Mountain's share of the issued capital would rise to approximately 34.90% and combined with the Zohar Group's current shareholding interest, the percentage would be approximately 53.69%.
- 7.12 After taking into account the factors referred to in section 7 above and elsewhere in this report, we are of the opinion that the proposed approval of the issue of up to 20,000,000 Shortfall Shares and up to 20,000,000 Shortfall Options (and allowing the Shortfall Options to be exercised) to Iron Mountain at 3.0 cents each as noted in paragraphs 1.1 and 1.2 and resolution 1 in the Notice may be considered, on balance, collectively to be fair and reasonable to the non-associated shareholders of UOG.**

## **8. Sources of Information**

- 8.1 In making our assessment as to whether the proposals under resolution 1 as noted in paragraphs 1.1 and 1.2 are fair and reasonable, we have reviewed relevant published available information and other unpublished information of the Company, the Mackie Property, the Tenements and Iron Mountain that is relevant to the current circumstances. In addition, we have held discussions with the management of UOG about the present and future operations of the Company. Statements and opinions contained in this report are given in good faith but in the preparation of this report, we have relied in part on information provided by the directors and management of UOG.
- 8.2 Information we have received includes, but is not limited to:
- Draft Notice's of UOG and draft Explanatory Statements to Shareholders prepared in May 2011;
  - Discussions with management and directors of UOG;
  - Details of historical market trading of UOG and Iron Mountain's ordinary fully paid shares recorded by ASX for the period 1 July 2010 to 6 June 2011;
  - Shareholding details of UOG and Iron Mountain as supplied by the Company's share registry as at 3 June 2011;
  - Un-audited balance sheet of UOG as at 30 April 2011;

- Announcements made by UOG and Iron Mountain to the ASX from July 2010 to 6 June 2011; and
- The cash flow forecasts of UOG for 2011 and 2012

8.3 Our report includes Appendix A and our Financial Services Guide attached to this report.

Yours faithfully

**STANTONS INTERNATIONAL SECURITIES**



**J P Van Dieren - FCA  
Director**

**APPENDIX A****AUTHOR INDEPENDENCE AND INDEMNITY**

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities dated 7 June 2011, relating to the proposals outlined in paragraphs 1.1 and 1.2 of the report and resolution 1 in the Notice of Meeting to Shareholders to be distributed to shareholders in June 2011.

At the date of this report, Stantons International Securities does not have any interest in the outcome of the proposal. There are no relationships with UOG or Iron Mountain other than acting as an independent expert for the purposes of this report. There are no existing relationships between Stantons International Securities and the parties participating in the transaction detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is based on the time spent at normal professional rates plus out of pocket expenses and is estimated at \$10,000. The fee is payable regardless of the outcome. With the exception of the fee, neither Stantons International Securities nor John P Van Dieren have received, nor will, or may they receive, any pecuniary or other benefits, whether directly or indirectly, for or in connection with the making of this report.

Stantons International Securities does not hold any securities in UOG or Iron Mountain. There are no pecuniary or other interests of Stantons International Securities that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities and Mr J Van Dieren have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice.

**QUALIFICATIONS**

We advise Stantons International Securities is the holder of an Australian Financial Services Licence (no 319600) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions that involve securities. A number of the directors of Stantons International Pty Ltd are the directors of Stantons International Securities and its affiliated company Stantons International Audit and Consulting Pty Ltd. Stantons International Securities has extensive experience in providing advice pertaining to mergers, acquisitions and strategic for both listed and unlisted companies and businesses.

Mr John P Van Dieren, FCA, the person responsible for the preparation of this report, has extensive experience in the preparation of valuations for companies and in advising corporations on takeovers generally and in particular on the valuation and financial aspects thereof, including the fairness and reasonableness of the consideration offered.

The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the task they have performed.

**DECLARATION**

This report has been prepared at the request of the directors of UOG in order to assist the shareholders of UOG to assess the merits or otherwise of the proposals as outlined in resolution 1 and the ES to which this report relates. This report has been prepared for the benefit of UOG's shareholders and does not provide a general expression of Stantons International Securities opinion as to the longer term value of UOG, its assets and Iron Mountain, its subsidiary and their mineral assets. Stantons International Securities does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of UO or Iron Mountain. Neither the whole nor any part of this report, nor any reference thereto may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities to the form and context in which it appears.



## DISCLAIMER

This report has been prepared by Stantons International Securities with due care and diligence. However, except for those responsibilities, which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons International Securities, Stantons International Pty Ltd, and Stantons International Audit and Consulting Pty Ltd, their directors, employees or consultants for the preparation of this report.

## DECLARATION AND INDEMNITY

Recognising that Stantons International Securities may rely on information provided by UOG and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities experience and qualifications), UOG has agreed:

- a) To make no claim by it or its officers against Stantons International Securities (and Stantons International Pty Ltd) to recover any loss or damage which UOG may suffer as a result of reasonable reliance by Stantons International Securities on the information provided by UOG; and
- (b) To indemnify Stantons International Securities (and Stantons International Pty Ltd) against any claim arising (wholly or in part) from UOG or any of its officers providing Stantons International Securities any false or misleading information or in the failure of UOG or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities.

A draft of this report was presented to UOG directors for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

**FINANCIAL SERVICES GUIDE  
FOR STANTONS INTERNATIONAL PTY LTD  
(Trading as Stantons International Securities)  
Dated 7 June 2011**

1. Stantons International Securities ACN 103 088 697 (“SIS” or “we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No: 319600;
- remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and notes)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before

you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

SIS is ultimately a wholly division of Stantons International Pty Ltd a professional advisory and accounting practice. Our directors may be directors in Stantons International Pty Ltd and Stantons International Audit and Consulting Pty Ltd and Stantons International Audit and Consulting Pty Ltd charges Stantons International management fees.

From time to time, SIS, Stantons International Pty Ltd and Stantons International Audit and Consulting Pty Ltd and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer  
Stantons International Securities  
Level 1  
1 Havelock Street  
WEST PERTH WA 6005

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

9.2 Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("FOSL"). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website [www.fos.org.au](http://www.fos.org.au) or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited  
PO Box 3  
MELBOURNE VIC 8007

Toll Free: 1300 78 08 08  
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.

# Proxy Form

## 1 SHAREHOLDER ➡

Name, address and daytime telephone number of shareholder of United Orogen Limited.

Name .....

Address .....

.....

Daytime phone no. ....

## 2 APPOINTS ➡

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box.

Insert here the name of the person you wish to appoint as proxy; **shareholders cannot appoint themselves.**

Name of proxy – please print

.....

The Chair intends to vote for Resolution 1 for all undirected proxies.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

## 3 SIGNATURE OF SHAREHOLDER(S) ➡

All single or joint holders of shares must sign this form.



Signature

Signature

Signature

Date

or in the case of a company

The **COMMON SEAL** of the company is affixed in accordance with its constitution in the presence of:/Executed by the company by its duly authorised officers in accordance with sub-section 127(1) of the Corporations Act 2001:\*

.....

Signature of Director

.....

Name of Director (Print)

.....

Signature of Director/Secretary

.....

Name of Director/Secretary (Print)

or signed by .....

under Power of Attorney on behalf of the company.

\* *delete as appropriate*

This proxy form must be signed by the shareholder and, in the case of joint shareholders, by each of the joint shareholders. In the case of a corporation, this proxy form must be executed in accordance with section 127 of the Corporations Act 2001. In the case of a Sole Director/Secretary company, please indicate "Sole Director". If this proxy form is signed under Power of Attorney the original Power of Attorney (or a copy certified as a true copy by statutory declaration) must be forwarded with the proxy form.

**4 PROXY'S VOTING INSTRUCTIONS (OPTIONAL)**



**FOR**

**AGAINST**

**ABSTAIN**

**PROXY'S DISCRETION**

1. Authorisation for Iron Mountain Mining Limited to Purchase Securities in Shortfall Offer

If you wish to direct your proxy how to vote, place a mark in the appropriate box. If a mark is placed in a box, your total shareholding will be voted in that manner. You may, if you wish, split your voting direction by inserting the number of shares you wish to vote in the appropriate box. The direction will be invalid if a mark is made against more than one box for a particular item, or, if you have split your direction, if the total shareholding shown in "FOR", "AGAINST", "ABSTAIN" and "PROXY'S DISCRETION" boxes is more than your total shareholding on the share register. Each person who attends the meeting is entitled to one vote only on a show of hands. A person who holds proxies for more than one shareholder cannot vote on a show of hands if he or she holds proxies directing him or her to vote both for and against a resolution.

**5 APPOINTMENT OF A SECOND PROXY (OPTIONAL)**

If you want to appoint two proxies you may state here the percentage of your voting rights applicable to this proxy form. If you do not specify a particular percentage, each proxy is entitled to exercise 50% of your voting rights applicable to this proxy form.

 %

A shareholder is entitled to appoint up to two persons (whether shareholders or not) to attend the meeting and vote as proxies. If you wish to appoint two proxies please either photocopy the proxy form or telephone Jacy Leu on +618 9225 4936 to obtain a second form. Both forms should be completed with the nominated percentage of your voting rights on each form. Please return the proxy forms together.

**Important Information**

**Deadline for Receipt of proxies** To be effective, a completed proxy form together with the power of attorney (if any) under which it is signed, must be received by the Company at its registered office or Company office, Level 7, 231 Adelaide Terrace, Perth not less than 48 hours before the appointed time of the General Meeting ie. no later than 11 am WST on 24 August 2011.

**Destination of Completed Proxy Form** Once the Proxy Form is completed and all details checked by you, the form is to be sent or delivered to the Company's office at Level 7, 231 Adelaide Terrace, Perth WA 6000 or sent by facsimile to the registered office on +618 9225 6474.

**For Further Information** If you need any further information about this form or attendance at the Company's General Meeting, please contact Jacy Leu, Company Secretary, on + 618 9225 4936.