



Union Resources Limited

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Company Announcements Office
Australian Securities Exchange

MEHDIABAD PROJECT – POLITICAL RISK INSURANCE CLAIM

Union Resources Limited ("the Company") previously advised that it had lodged (in April 2009) a claim with the Australian Government Export Finance & Insurance Corporation ("EFIC") under the Company's political risk insurance policy with EFIC seeking compensation for expropriation of the Company's interest in the Mehdiabad Zinc Company ("MZC") which carries on the Mehdiabad Zinc Project in Iran.

EFIC previously indicated it would not meet the Company's claim, and the Company has taken legal advice and had ongoing correspondence and discussions with EFIC in relation to the matter. Notwithstanding this, EFIC has continued to refute the Company's claim and the Company's directors, based on independent legal advice, have now decided to discontinue the claim rather than incurring further legal fees and taking up further Management time in pursuing the claim, with little likelihood of success.

Yours faithfully

UNION RESOURCES LIMITED

Chris Jordinson
Managing Director