



Union Resources Limited

A.B.N. 40 002 118 872

Tel: +61 7 3833-3833
Fax: +61 7 3833-3888

Level 1, 500 Boundary Street, Spring Hill,
Brisbane, Qld, Australia

Postal Address:
PO Box 728
Spring Hill Q
Australia 4004

28 February 2011

Company Announcements Office
Australian Securities Exchange

Fully Underwritten Renounceable Rights Issue

Union Resources Limited ("the Company") will undertake a two (2) for seven (7) renounceable rights issue to raise up to approximately \$6.46 million. Eligible shareholders will be offered the opportunity to purchase two shares for every seven shares held by them as at the record date of 8 March 2011 at \$0.012 (1.2 cents) per share.

Please find accompanying this letter the Company's prospectus for the rights issue which has been lodged with the Australian Securities & Investments Commission (ASIC) today.

The rights issue is fully underwritten. Patersons Securities Limited has been appointed Lead Manager and Underwriter for the rights issue.

Trading in rights which shareholders do not wish to take up commences on 2 March 2011.

Funds raised from the rights issue will be used to fund the Company's share of the Definitive Feasibility Study expenses for the Namibian Sandpiper/Meob Phosphate Project and to progress Mehdiabad Zinc Project negotiations, as well as for working capital and to meet the costs of the rights issue.

The timetable for the rights issue is as follows*:

Event	Date
Lodgement of Prospectus with ASIC	28 February 2011
Lodgement of Prospectus and Appendix 3B with ASX	28 February 2011
Notice sent to Option Holders	28 February 2011
Notice sent to Shareholders	1 March 2011
"Ex" Date & Rights Trading commences	2 March 2011
Record date for determining entitlement to participate in the Offer	7pm (AEDT) on 8 March 2011
Prospectus despatched	11 March 2011
Rights Trading ends	21 March 2011
Securities quoted on a deferred settlement basis	22 March 2011
Closing Date*	5pm (AEDT) on 28 March 2011
Company notifies ASX of under subscriptions (if any)	31 March 2011
Allotment completed, holding statements despatched & deferred settlement trading ends	5 April 2011

*The dates shown in the timetable are indicative only and, subject to the ASX Listing Rules and the *Corporations Act 2001*, the Company reserves the rights to change any date, including to extend the closing date.

ASX Appendix 3B is also provided.

If you have any queries relating to the rights issue please contact the Company Secretary, Mr John Lemon on (07) 3833 3872.

Yours faithfully

UNION RESOURCES LIMITED

A handwritten signature in black ink, appearing to read 'Ian Ross', with a horizontal line underneath the signature.

Ian Ross
Chairman

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR
INTO THE UNITED STATES, OR TO US PERSONS



UNION RESOURCES LIMITED
ABN 40 002 118 872

PROSPECTUS

For a renounceable pro rata offer to Eligible Shareholders of approximately 538,710,153 New Shares at an issue price of \$0.012 per Share on the basis of 2 New Shares for every 7 Existing Shares held to raise approximately \$6,464,522.

Underwriter and Lead Manager

Patersons Securities Limited

ACN 008 896 311

Important Notice

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

The New Shares offered by this Prospectus should be considered speculative.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

IMPORTANT NOTES

This Prospectus is dated 28 February 2011 and a copy of this Prospectus was lodged with the ASIC and ASX on that date. The ASIC and ASX take no responsibility for the content of this Prospectus. No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. The Company will apply to ASX for the New Shares to be granted quotation on ASX.

This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make such an offer. Refer to **section 2.9** for treatment of overseas Shareholders. Applications for New Shares offered pursuant to this Prospectus can only be submitted on an original Acceptance Form which accompanies this Prospectus, unless otherwise stated in this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus including each of the documents attached to it and which form part of this Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser.

In particular, it is important that you consider the risk factors (see **section 6** of this Prospectus) that could affect the performance of the Company before making an investment decision.

An investment in the Company is not risk free and investors should consider the risk factors described in **section 6**, together with information contained elsewhere in this Prospectus, before deciding whether to apply for New Shares. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

Some words and expressions used in this Prospectus have defined meanings which are explained in **section 9**.

ELECTRONIC PROSPECTUS

A copy of the Prospectus can be downloaded from the website of the Company at www.unionresources.com.au, or the ASX website. Any person accessing the electronic version of the Prospectus for the purposes of making an investment in the Company must be an Australian or New Zealand resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person the Acceptance Form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus. Any person may obtain a hard copy of the Prospectus free of charge by contacting the Company or downloading a copy from the Company's website www.unionresources.com.au.

INVESTMENT HIGHLIGHTS

Phosphate (Namibia)

- UCL has a 42.5% interest in the Sandpiper Phosphate Project in Namibia
- This project has a JORC compliant resource of 1,581 million dry tonnes at 18.8% P₂O₅
- Scoping study completed with positive results in November 2010
- Mining Lease application lodged in December 2010

Zinc (Iran)

- UCL has a 24.5% interest in the Mehdiabad Zinc Project in Iran
- This project has a JORC compliant resource of 394 Mt @ 4.2% Zn, 1.6% Pb and 36g/t Ag
- UCL is working with other JV partners to progress this project

Corporate

- Experienced Board and Management
- Tight register (top 40 hold 80%) provides leverage to the upside

MAJOR INVESTMENT RISKS

The Directors have considered and identified in Section 6 of the Prospectus the critical areas of risk associated with investing in the Offer. The major investment risks to be considered by potential investors include:

- ◆ Exploration and Production Risks - The business of minerals exploration, project development and production involves risks by its very nature. It depends upon the successful exploration, appraisal and development of commercially viable deposits. Operations such as design and construction of efficient mining and processing facilities, competent operational and managerial performance, and efficient transport and marketing services, are required to be successful.
- ◆ Funding - Unless and until the Company develops or acquires income producing assets, it will be dependent upon the funds raised by this Offer, and its ability to obtain future equity or debt funding to support exploration evaluation and development of its projects in Namibia and Iran. The Company's ability to raise further equity or debt or to divest part of its interest in a project, and the terms of such transactions, will vary according to a number of factors, including the success of exploration results and the future development of these projects, stock market conditions and the price of phosphate in world markets.

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SUMMARY OF IMPORTANT DATES

Announcement and Lodgment Date	28 February 2011
Notification to Option Holders	
Letter to Shareholders containing information required by Listing Rules	1 March 2011
"Ex" Date and Rights Trading commences	2 March 2011
Record Date	7pm (AEDT) on 8 March 2011
Prospectus with Acceptance Form despatched	11 March 2011
Offer opens for receipt of Applications	11 March 2011
Rights Trading ends	21 March 2011
Closing Date	5pm (AEDT) on 28 March 2011
Notify ASX of under subscriptions	31 March 2011
Allotment and issue of New Shares and despatch of shareholding statements	5 April 2011

1 CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Directors of Union Resources Limited ("**UCL**" or the "**Company**"), I am pleased to present Eligible Shareholders with an opportunity to participate fully in UCL's plans to advance the Sandpiper Phosphate Project in Namibia and complete the Definitive Feasibility Study ("**DFS**").

UCL has a 42.5% equitable interest, through its wholly owned subsidiary, Sea Phosphates (Namibia) Pty Ltd, in a joint venture vehicle, called Namibian Marine Phosphate (Pty) Ltd ("**JV Company**"), which possesses exploration licences in respect of The Sandpiper Phosphate Project in Namibia ("**Sandpiper Project**"). The Sandpiper Project has a JORC compliant combined Indicated and Inferred Mineral Resource of 1,581 million dry tonnes at 18.8% P₂O₅. Following the positive outcome of the scoping study completed in November 2010, the JV Company lodged a Mining Lease application in early December 2010 with the Namibian Ministry for Mines and Energy and is now working with Namibian authorities to progress the granting of this application. The JV Company has commenced the DFS which is intended to assess the feasibility and economic potential of the Sandpiper Project.

The Mehdiabad Zinc Project in Iran ("**Mehdiabad Project**") is carried on by the Company, Iranian Mines and Mining Industries Development and Renovation Organization ("**IMIDRO**") and the company Itok GmbH ("**Itok**") through an incorporated Iranian joint venture company, Mehdiabad Zinc Company ("**MZC**"). The Company has to date invested in excess of US\$16.8 million on exploration and feasibility activities relating to the Mehdiabad Project.

MZC continues to work with IMIDRO to enter into a Memorandum of Understanding ("**MOU**") for the operation of the Mehdiabad Project. The MOU was initiated as a result of a high level meeting held on the 21 December 2010 at the Office of the President, where a directive was signed by the parties to enter into an MOU and then formalise the necessary arrangements.

Under this Prospectus, the Company is undertaking a pro rata renounceable Rights Issue offered on the basis of 2 New Shares for every 7 Shares held by Eligible Shareholders at a price of 1.2 cents per New Share to raise approximately \$6.46 million.

The proceeds from the Rights Issue will be used to advance the DFS, to continue the negotiation process for the Mehdiabad Project, for working capital requirements and to meet costs of the Rights Issue.

The Rights Issue is fully underwritten by Patersons Securities Limited.

I encourage you to read this Prospectus in full and participate in the Rights Issue.

Yours sincerely

Ian Ross
Chairman

Union Resources Ltd

Dated 28 February 2011



2 DETAILS OF THE OFFER

2.1 The Issue

A renounceable pro rata entitlements issue to Eligible Shareholders of approximately 538,710,153 New Shares on the basis of 2 New Shares for every 7 Existing Shares held by Eligible Shareholders as at the Record Date at an issue price of \$0.012 each to raise approximately \$6,464,522.00

Persons holding Options only shall not be entitled to apply for New Shares unless they exercise those Options prior to, and are registered as Shareholders by, the Record Date .

2.2 No Minimum Subscription

There is no minimum subscription for the Offer.

2.3 Underwriting

The Issue is fully underwritten by the Underwriter. A summary of the Underwriting Agreement is set out in **section 7.2** of the Prospectus.

2.4 Entitlement to Rights Issue

Eligible Shareholders who are on the Company's Share Register at the close of business on the Record Date are eligible to participate in the Offer.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements.

An Acceptance Form setting out your Entitlement to New Shares accompanies this Prospectus.

2.5 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date.

Instructions for accepting your Entitlement are set out in **section 4** and on the Acceptance Form.

2.6 Rights Trading

The Rights to New Shares are renounceable, which enables Eligible Shareholders who do not wish to take up some or all of their Entitlements to sell or otherwise transfer all or part of their Entitlement. Trading of Rights on the ASX is expected to commence on 2 March 2011 and end on 21 March 2011.

2.7 Applying for Additional New Shares

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Shares regardless of the size of their present holding.

Any Entitlements not taken up may become available as Additional New Shares which may be placed by the Company in conjunction with the Underwriter in accordance with the Underwriting Agreement. It is possible that there will be few or no Additional New Shares available for issue, depending on the level of take up of Entitlements by Shareholders. There is also no guarantee that in the event Additional New Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Offer that applicants for Additional New Shares will be bound to accept a lesser number of Additional New Shares allocated to them than applied for. If a lesser number is allocated to them, excess application money will be refunded without interest. The Company reserves the right to scale back any applications for Additional New Shares as directed by the Underwriter in its absolute discretion.

The issue of any Additional Shares to Shareholders may be subject to the Corporations Act and Listing Rules.

2.8 Allotment and Application Money

New Shares will be issued only after all Application Money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 5 April 2011 and trading of the New Shares on ASX is expected to commence shortly after that date.

All Application Money received before New Shares are issued will be held in a special purpose account in accordance with section 722 of the Corporations Act. Once the New Shares are issued to Applicants, the funds in the account plus any accrued interest will be received by the Company.

Application will be made, within seven days of the date of issue of this Prospectus, for the New Shares to be granted Official Quotation by ASX. If such an application is not made within these seven days, or Official Quotation of the New Shares is not granted by ASX within three months of the date of this Prospectus, then the Company will not allot or issue any New Shares and all Application Money received pursuant to this Prospectus will be refunded in full as soon as practicable, without interest.

The fact that ASX may agree to grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares. ASX takes no responsibility for the contents of this Prospectus.

2.9 Issue Outside Australia and New Zealand

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the Shares or the Issue or otherwise to permit an offering of the Shares in any jurisdiction outside Australia and New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

2.10 Treatment of Overseas Shareholders

The Offer in this Prospectus is not being extended to any Shareholder, as at the Record Date, whose registered address is not situated in Australia or New Zealand because of the small number of such Shareholders, and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand. The Prospectus is sent to those Shareholders for information only.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

Recipients may not send or otherwise distribute this Prospectus or the Acceptance Form to any person outside Australia (other than to Eligible Shareholders).

The Company has appointed the Underwriter as nominee to sell the Non-qualifying Foreign Shareholders' Rights.

Any such sale will be at a price and be conducted in a manner that the Underwriter will determine in its absolute discretion in accordance with section 615 of the Corporations Act.

The proceeds of sale (in Australian dollars) will be distributed to the Non-qualifying Foreign Shareholders for whose benefits the Rights have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale).

Neither the Company nor the Underwriter will be liable for any failure to sell the Rights or to sell the Rights at any particular price.

2.11 Market Prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the three months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 months high	3 month low	Last market sale price
Existing Shares	\$2.4 cents on 19 January 2011	\$0.5 cent on 5 November 2010	\$1.6 cents on 25 February 2011

2.12 Opening and Closing Dates

The Issue will open for receipt of Applications on 11 March 2011 and will close at 5pm AEDT on the Closing Date.

2.13 CHESS

The Company participates in the Clearing House Electronic Sub-register System (“**CHESS**”). ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASTC Settlement Rules.

Under CHESS, applicants making an Application will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company’s share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

2.14 Rights and Liabilities attaching to the New Shares

The New Shares will rank equally in respect of dividends and in all other respects (e.g. voting, bonus issues) as Existing Shares.

A summary of the rights and liabilities attaching to the New Shares is set out in **section 5**.

2.15 Taxation Implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Rights Issue or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Issue.

Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Issue.

2.16 Enquiries

Any queries regarding the Offer should be directed to either Mr Christopher Jordinson (Managing Director) on 61 7 3833 3833 or Mr John Lemon (Company Secretary) on +61 7 3833 3872.

Any queries regarding the Acceptance Form should be directed to the Share Registry Link Market Services Limited on its Offer Information Line on either 1300 880 472 or 02 8280 7495.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

3 PURPOSE AND EFFECT OF THE ISSUE

3.1 Purpose of the Issue

The purpose of the Issue is to raise \$6,464,522.

The proceeds from the Issue are planned to be used for the following purposes in accordance with the table set out below:

- Funding the Definitive Feasibility Study;
- Continue the negotiation process for the Mehdiabad Project;
- Meet working capital requirements; and
- To fund Issue expenses.

The table assumes that Entitlements are taken up in full.

Proceeds of the Issue	\$
Funding the Definitive Feasibility Study	4,500,000
Negotiation process for the Mehdiabad Project and working capital requirements	1,560,000
Expenses of the Offer	404,522
ESTIMATED TOTAL	6,464,522

In the event that circumstances change or other opportunities arise the Directors reserve the right to vary the proposed use of funds to maximise benefits to Shareholders.

3.2 Effect of the Issue and Pro Forma Statement of Financial Position

The effect of the Issue will be (assuming no Options are exercised and Entitlements are taken up in full) that:

- (a) cash reserves will initially increase by approximately \$6.0 million; and
- (b) the number of Shares on issue will increase from 1,885,485,533 to 2,424,195,686.

3.3 Statement of Financial Position

Set out below is the Statement of Financial Position of the Company as at 30 June 2010 assuming Full Subscription on the basis of the assumptions detailed further. The significant accounting policies upon which the Statement of Financial Position is based are contained in the audited Financial Report.

UNION RESOURCES LIMITED
Pro-Forma Statement of Financial Position

		Consolidated Audited 30 June 2010	Pro-Forma Unaudited 30 June 2010
		2010	2010
	Note	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	1	531,203	7,091,203
Trade and other receivables		27,177	27,177
Available-for-sale financial assets		130,000	130,000
Current tax assets		-	-
Total current assets		688,380	7,248,380
Non-current assets			
Trade and other receivables		-	-
Other financial assets		52,728	52,728
Investments accounted for using the equity method		1,251,687	1,251,687
Exploration and evaluation		-	-
Property, plant and equipment		15,496	15,496
Intangibles		798,022	798,022
Total non-current assets		2,117,933	2,117,933
Total assets		2,806,313	9,366,313
LIABILITIES			
Current liabilities			
Trade and other payables		179,012	179,012
Provisions		16,108	16,108
Convertible Loan	2	-	500,000
Total current liabilities		195,120	695,120
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		195,120	695,120
Net assets		2,611,193	8,671,193
EQUITY			
Contributed equity		95,710,673	101,770,673
Reserves		1,948,012	1,948,012
Accumulated losses		(95,047,492)	(95,047,492)
Total equity		2,611,193	8,671,193

Note 1

The unaudited cash and cash equivalents as at 31 December 2010 were A\$285,000.

Note 2

The Company entered into a Convertible Note Deed ("**Deed**") with Donwillow Pty Limited raising A\$500,000 for working capital requirements in November 2010. The terms of the Deed are for the provision of a loan of A\$500,000 which accrues interest at 7.25% per annum, payable 6 monthly in arrears. The Redemption Date of the Deed is 24 months after the "Completion Date" being 2 Business days after signing the Deed. The loan is redeemable in ordinary shares at an issue price of ½ an Australian cent (\$0.005), which if fully redeemed means the Company will issue 100,000,000 fully paid ordinary shares.

3.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Issue is set out below, assuming that the Issue is fully subscribed.

Capital Structure after Completion of Issue

Shares	
1,885,485,533	Shares quoted on ASX as at the date of this Prospectus
538,710,153	New Shares issued pursuant to this Prospectus
2,424,195,686	Total issued Shares

Options	
9,000,000	Exercise Price 13.0 cents ; Exercise date 30 April 2011
6,000,000	Exercise Price 2.0 cents ; Exercise date 31 March 2013
1,333,333	Exercise Price 2.1 cents ; Exercise date 31 March 2015
1,333,333	Exercise Price 1.3 cents ; Exercise date 31 March 2015
1,333,333	Exercise Price 0.5 cents ; Exercise date 31 March 2015

4 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

4.1 What you may do

As an Eligible Shareholder, you may:

- subscribe for all of your Entitlement (refer **section 4.2**);
- apply for Additional New Shares (refer **section 4.3**);
- sell all of your Entitlement on ASX (refer **section 4.4**);
- take up part of your Entitlement and sell the balance on ASX (refer **section 4.5**);
- deal with part or all of your Entitlement other than on ASX (refer **section 4.6**); or
- allow all or part of your Entitlement to lapse (refer **section 4.7**);

4.2 To subscribe for all of your Entitlement

If you wish to subscribe for all of your Entitlement, complete the accompanying Acceptance Form in accordance with the instructions set out in that form. The Acceptance Form sets out the number of New Shares you are entitled to subscribe for. The completed Acceptance Form must be accompanied by a cheque or bank draft made payable to “Union Resources Ltd – Share Offer Account” and crossed “Not Negotiable” for the appropriate Application Money in Australian dollars calculated at \$0.012 per New Share accepted, and received by the Company at either of the following addresses by no later than 5.00 pm (AEDT) on the Closing Date. The Company will present the cheque or bank draft on or around the day of receipt of the Acceptance Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Acceptance Form.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Acceptance Form) or your Application may be rejected.

Street Address:	Postal Address:
Union Resources Limited c/o Link Market Services Limited Level 15, 324 Queen Street Brisbane QLD 4000	Union Resources Limited c/o Link Market Services Limited Locked Bag 3415 Brisbane, QLD 4001

Alternatively, if you are paying by BPay[®], refer to your personalised instructions on your Application Form. Shareholders who wish to pay by BPay[®] must ensure that payment is received by no later than 5.00 pm AEDT on the Closing Date.

4.3 To apply for Additional New Shares

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Shares regardless of the size of their present holding. Refer to **section 2.7** if you wish to apply for Additional New Shares.

A single cheque should be used for the Application Money for your Entitlement and the number of Additional New Shares you wish to apply for as stated on the Acceptance Form.

Alternatively, if you are paying by BBay[®], refer to your personalised instructions on your Acceptance Form. Shareholders who wish to pay by BBay[®] must ensure that payment is received

by no later than 5.00 pm AEDT on the Closing date. When paying by BPay® you need not return the Acceptance Form

4.4 If you wish to sell all of your Entitlement

Complete the section marked “**Instructions to Stockbroker**” on the back of the Acceptance Form, which accompanies this Prospectus, in accordance with the instructions contained on the form and lodge it with your stockbroker as soon as possible.

Rights trading will commence on ASX on 2 March 2011. Sale of your Rights must be completed by 21 March 2011 when Rights Trading ceases.

4.5 If you wish to take up part of your Entitlement and sell the balance

Please complete the Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept (being less than as specified on the Acceptance Form) and complete the section marked “**Instructions to Stockbroker**” on the back of the form in respect of that part of your Entitlement you wish to sell.

Forward the form to your stockbroker together with your cheque for the total amount payable in respect of the New Shares accepted. Your stockbroker will need to ensure that the completed Acceptance Form reaches the Company’s share registry, by 5.00 pm (AEDT) on the Closing Date.

Cash will not be accepted and no receipts will be issued.

Alternatively, if you are paying by BPay®, refer to your personalised instructions on your Acceptance Form. Shareholders who wish to pay by Bpay® must ensure that payment is received by no later than 5.00 pm AEDT on the Closing Date.

Rights trading will commence on ASX on 2 March 2011. Sale of your Entitlements must be completed by 21 March 2011 when Entitlements trading ceases.

4.6 If you wish to transfer your Entitlement other than on ASX

If you are a Shareholder and hold Existing Shares on the issuer sponsored sub-register, forward a completed Renunciation Form (obtainable through your stockbroker or the Company’s share registrar) together with your Acceptance Form completed by the transferee together with a cheque for the appropriate Application Monies to reach the Company’s share registry (at the address shown above), by 5.00 pm AEDT on the Closing Date.

If you are a Shareholder and hold Existing Shares registered on CHESS, you should contact your sponsoring broker.

Cash will not be accepted and no receipts will be issued.

4.7 Entitlements not taken up

If you are a Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or any New Shares and your Entitlements will become available to Eligible Shareholders as Shortfall Shares to be applied for.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the back of the accompanying Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

Your Entitlement may have value and accordingly you should consider renouncing (selling) your Rights, rather than allowing them to lapse.

The Company and the Underwriter will deal with any New Shares not accepted in accordance with the Underwriting Agreement and this Prospectus.

4.8 Acceptance Form is binding

A completed and lodged Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Acceptance Form is not completed correctly, it may still be treated as a valid Application for New Shares. The Directors' decision whether to treat an Application as valid and how to construe, amend or complete the Acceptance Form is final.

By completing and returning your Acceptance Form with the requisite Application Monies, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- agree to be bound by the terms of the Offer;
- declare that all details and statements in the Acceptance Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Acceptance Form;
- authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Acceptance Form;
- declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

If you have any queries concerning your entitlement or allocation, please contact:

John Lemon, Company Secretary

Tel: +61 7 3833 3872 Fax: +61 7 3833 3888

or contact your stockbroker or professional adviser.

5 RIGHTS AND LIABILITIES ATTACHING TO NEW SHARES

The following is a summary of the more significant rights and liabilities attaching to New Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

The rights attaching to the New Shares arise from a combination of the Constitution, the Corporations Act, the ASX Listing Rules and general law. A copy of the Constitution is available for inspection free of charge during business hours at the Company's registered office or may be downloaded from its website www.unionresorces.com.au

5.1 Rights Attaching to New Shares

The New Shares to be issued pursuant to this Prospectus are ordinary shares and will as from their allotment rank equally in all respects with all Existing Shares.

A summary of the rights attaching to the New Shares is set out below.

(a) **Voting Rights**

Subject to the Constitution and any rights or restrictions at the time being attached to a class of shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder. In the case of an equality of votes, the chairperson has a casting vote.

(b) **Dividends**

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors resolve but only out of profits of the Company. The Directors may determine the method and time for payment of the dividend.

(c) **Winding up**

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(d) **Transfer of Shares**

Generally, shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, ASTC Settlement Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the ASX Listing Rules, the ASTC Settlement Rules, or under the Constitution.

(e) **Further Increases in Capital**

Subject to the Corporations Act, the ASX Listing Rules, the ASTC Settlement Rules and any rights attached to a class of shares, the Company (under the control of the Directors) may allot and issue shares and grant options over shares, on any terms, at any time and for any consideration, as the Directors resolve.

(f) **Variation of Rights**

Subject to the Corporations Act, the ASX Listing Rules, the ASTC Settlement Rules and the terms of issue of shares in a particular class, the Company may vary or cancel rights attached to shares in that class by either special resolution passed at a general meeting

of the holders of the shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

(g) **Meetings and Notices**

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

6 RISK FACTORS

6.1 Introduction

- (a) The New Shares offered under this Prospectus are considered speculative, and involve investors being exposed to risk. The Directors strongly recommend potential Applicants examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.
- (b) There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

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

6.2 Risks Specific to the Company

(a) *No minimum subscription*

In the event the conditions to the Underwriting Agreement are not satisfied or the Underwriting Agreement is terminated in accordance with its terms and less than the full subscription is raised from the Offer the Company won't be able to undertake the activities as described in section 3 of this Prospectus.

(b) *Exploration Success*

The mineral tenements in which the Company has an interest 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 these tenements, 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.

(c) *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, 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

(d) *Resource Estimates*

Resource estimates are not precise and involve expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, resource estimates depend to a significant extent on interpretation of geological boundaries, which may prove to be inaccurate. Should the Company encounter unusual mineralisation to that predicted by past drilling and mining, resource estimates may have to be adjusted and feasibility studies may have to be altered in a way which could either benefit or adversely affect the Company's financial projections.

(e) *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. 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 several currencies including Euros, Namibian Dollars, United States Dollars as well as the Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between these currencies and the Australian dollar as determined in international markets.

(f) *Environmental Risks*

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment applicable in the jurisdiction of those activities. 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 practice to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The operations and proposed activities of the Company are dependent on receipt of approval from and compliance with all requirements of the relevant environmental authorities.

(g) *Valuation of Tenements*

This Prospectus does not rely upon any valuation of the mining tenements in which the Company has interests and makes no representation as to the value of those mining tenements. Investors and their advisers should make their own assessment as to the value of those mining tenements.

(h) *No Terminal Market*

Phosphate rock, and its major downstream derivatives – phosphoric acid and phosphate based fertilizer – do not have a terminal market and sale of the product will be determined by the Company's ability to successfully negotiate off-take agreements.

(i) *Technical Risk*

The Sandpiper Project is a submarine phosphate resource, and as such, is subject to technical risk not associated with terrestrial mining. There is no guarantee that mining can be successfully undertaken at the depths at which the deposit occurs. Additionally, there is no guarantee that the run of mine phosphorate from the Sandpiper Project can be successfully treated by customers.

(j) *Access Risk*

The mineral tenements in which the Company has an interest may not be immediately accessible. The Company may be required to seek clearances and authorities as these tenements lie in a restricted area, and access will be contingent upon the issuing of such permits and approvals. Such approvals are of a standard nature.

(k) *Title Risk*

The mineral tenements in which the Company has an interest are governed by legislation and various conditions requiring compliance. Renewal of the mineral tenements comprising the Sandpiper Project is subject to ministerial discretion of the Ministry of Mines and Energy in Namibia. Additionally, 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 or

it could be forced to relinquish an area it does not want to relinquish which could inadvertently result in the relinquishment of ground where a mineral deposit was present, but remained undiscovered.

(l) Sovereign Risk

Namibia, being the country where the Sandpiper Project is located, is generally regarded as politically stable, it may nevertheless be subject to social and economic uncertainty or the laws pertaining to tenure of title may change. This could result in the activities of the Company slowing or being rendered uneconomic, or affect its financial performance, the tenure of titles and the value of its assets.

The development of Mehdiabad Project continues to be negatively affected by the uncertain political situation in Iran which has been a significant impediment to foreign investment in that country. Other than the expenditure required to maintain negotiations to give effect to the Mehdiabad Project, the Company does not intend to spend other funds in Iran until this situation is resolved.

6.3 General Risks

(a) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market Conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(d) *Taxation*

The acquisition and disposal of securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Shares under this Prospectus.

(e) *Additional Requirements for Capital*

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(f) *Reliance on Key Personnel*

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(g) *Investment Speculative*

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

ADDITIONAL INFORMATION

6.4 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111 AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the financial statements of the Company for the financial year ended 30 June 2010 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) the half-year financial report of the Company for the half-year ended 31 December 2010, once such is lodged with ASIC and the ASX, which is not due until 14 March 2011; and
 - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgment of the financial statements referred to in paragraph

(i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours and copies of such documents relating to the Company may be obtained from, or inspected at, an ASIC office.

The Company has lodged the following announcements with ASX since the lodgement of the 2010 Annual audited Financial Statements:

Date	Description of Announcement
24/02/2011	Trading Halt
22/02/2011	Union Resources Limited Audio Broadcast
21/02/2011	Chairman Appointed
21/02/2011	Iranian Project Update
15/02/2011	MEHDIABAD PROJECT - POLITICAL RISK INSURANCE CLAIM
28/01/2011	Quarterly Cashflow Report
28/01/2011	Quarterly Activities Report
21/01/2011	Initial Director's Interest Notice
21/01/2011	Director Appointment
20/01/2011	REINSTATEMENT TO OFFICIAL QUOTATION
20/01/2011	Response to ASX Price Query
19/01/2011	SUSPENSION FROM OFFICIAL QUOTATION
10/01/2011	Change of Director's Interest Notice
23/12/2010	Securities Trading Policy
16/12/2010	Option Expiry Notice - Correction
08/12/2010	Change of Director's Interest Notice
08/12/2010	Option Expiry Notice
07/12/2010	Amended Constitution
07/12/2010	Change of Director's Interest Notice
30/11/2010	Change of Director's Interest Notice
30/11/2010	Final Director's Interest Notice
25/11/2010	Results of Meeting
24/11/2010	AGM Presentations
15/11/2010	MAK: MLA Lodged for Namibian Phosphate Project
15/11/2010	Mining Licence Application - Namibian Phosphate Project
11/11/2010	Namibian Phosphate Project - Scoping Study Results

11/11/2010	MAK: NMP Scoping Study Positive Economics Indicated
09/11/2010	Change in substantial holding
05/11/2010	Appendix 3B
05/11/2010	Convertible Note To Raise Working Capital
29/10/2010	Quarterly Cashflow Report
29/10/2010	Quarterly Activities Report
26/10/2010	Notice of AGM/Proxy Form
26/10/2010	Namibian Phosphate Project - Transfer of Permits to JV Co.
26/10/2010	MAK: Exclusive Licences Transferred to Namibian JV Company
12/10/2010	Resolution to Remove Director

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours which may also be downloaded from either ASX's website www.asx.com.au or the Company's website www.unionresources.com.au.

6.5 Material Contracts

The following is a summary of the significant terms of the material agreements which relate to the business of the Company. The Company also encourages potential investors to view the ASX website for summaries of other commercial agreements involving the Company and its wholly owned subsidiaries, one of which includes the Shareholders Agreement in respect of the Sandpiper Project.

Underwriting Agreement

Under the Underwriting Agreement, the Underwriter has agreed to underwrite the Offer.

Upon Completion of the Issue, the Underwriter will receive an underwriting fee of 5.5% of the amount underwritten. In addition, the Underwriter will also receive a fee of \$60,000 for performing its services under the Underwriting Agreement. The Underwriter will also receive payment of reasonable costs and expenses incurred by it in connection with the Offer. The Company will pay any GST applicable to any fee payable to the Underwriter under the Underwriting Agreement. Under the Underwriting Agreement, the Underwriter has sole discretion to allocate any Shortfall Shares which may include issuing them to Related Parties of the Company. The Underwriter has discretion to terminate the Underwriting Agreement for reasons that are standard in agreements of this nature.

6.6 Effect of the Issue on Voting Power of Major Shareholder and its Associates

John Kahlbetzer via his private companies has agreed to participate as a sub-underwriter in the Rights Issue. In the event that Mr Kahlbetzer is the only Shareholder who takes up his Entitlement (and no other Shareholder does), then Mr Kahlbetzer as a Sub-underwriter of 166,408,000 shares (\$1,996,896) will increase his and his associates Voting Power from the current level of 30.89% (as at the date of this Prospectus) to 35.63%. Mr Kahlbetzer is sub-underwriting the Issue on the same terms and conditions as the other Sub-underwriters and will receive a sub-underwriting fee of 3% of the amount sub-underwritten.

6.7 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Issue of Securities pursuant to this Prospectus; or
- (c) the Issue of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Issue of Securities pursuant to this Prospectus.

Directors' direct and indirect interests in securities of the Company at the date of this Prospectus are:

Name	Security
Ian Ross	4,466,853 Shares
John Lemon	nil
Gida Nakazibwe-Sekandi	nil
Christopher Jordinson	5,208,571 Shares

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Non-executive Directors and in default of agreement then in equal shares.

In the two years preceding lodgement of this Prospectus, \$2,063,658 (excluding GST where applicable) has been paid by the Company by way of remuneration for services provided by all Directors, companies associated with the Directors or their associates in their capacity as Directors, employees, consultants or advisers. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

6.8 Interests and Consents of Experts and Advisers

The following parties have given (and not before the date of this document withdrawn) their consent to be named in this document in the form and context in which they are named:

- Patersons Securities Limited, in the capacity of Underwriter and Lead Manager and nominee to sell Non-qualifying Shareholder Entitlements;
- Lawler Hacketts Audit in its capacity as auditor of the Company; and
- Eakin McCaffery Cox, in its capacity as solicitors to the Company.

In addition, Lawler Hacketts Audit has consented to the inclusion of the Company's annual audited Financial Statements as at 30 June 2010 in the form and context in which they appear in section 3 of this Prospectus;

Each of Patersons Securities Limited, Lawler Hacketts Audit and Eakin McCaffery Cox has not:

- authorised or caused the issue of this Prospectus;
- made, or purported to have made, any statement in this Prospectus or on which a statement in this Prospectus is based except as set out in this section; or
- assumed the responsibility for any part of this Prospectus except as set out in this section and to the maximum extent permitted by law, expressly disclaims responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation of or distribution of this Prospectus do not have, and have not had in the two years before the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the offer of Securities pursuant to this Prospectus; or
- the offer of New Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the offer of Securities pursuant to this Prospectus.

Patersons Securities Limited are acting as Lead Manager and Underwriter for the Offer and for this are entitled to be paid the fees set out in **section 6.5**.

The Company has also agreed to pay the Patersons' costs incurred in connection with the Rights Issue in accordance with the Underwriting Agreement.

Eakin McCaffery Cox is entitled to be paid \$18,000.00 for advice and assistance in relation to certain aspects of this Prospectus, assisting the Company in relation to its due diligence regime and enquiries and in relation to application for quotation of the New Shares on ASX.

Lawler Hackett-Audit is entitled to be paid \$1,000.00 for advice and assistance in relation to certain aspects of this Prospectus.

References to Link Market Services Limited appear for information purposes only. Link Market Services Limited has not been involved in, authorised or caused the issue of this Prospectus. Link Market Services Limited has given its written consent to being named as the share registry to the Company in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

6.9 Competent Person consent

The information in this Prospectus that relates to the Mineral Resources for the Sandpiper Project is based on information compiled and reviewed by Roger J. Daniel, B.Sc. (Hons) Geology, London, Pr.Sci.Nat., who is a full-time employee of the Company and who is a Member of The Australian Institute of Mining and Metallurgy. Mr Daniel has sufficient experience deemed relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Daniel consents to the inclusion in the Prospectus of the matters based on his information in the form and context in which it appears.

The information in this Prospectus that relates to Mineral Resources for the Mehdiabad Project is based on information compiled by Mr Patrick Scott, consultant to Union Resources Limited. Mr Scott is a Director of PS Associates Pty Ltd and a Fellow of the AusIMM. Mr Scott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Scott consents to the inclusion in the Prospectus of the matters based on his information in the form and context in which it appears.

6.10 Estimated Expenses of Issue

The estimated expenses of the Issue are approximately \$450,000 including fees payable to the Underwriter, legal, ASIC, ASX and printing costs.

6.11 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.12 Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your New Shares in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

6.13 Directors' Consent

Each Director has consented to the lodgement of this Prospectus with the ASIC.

Signed on behalf of the Directors pursuant to a resolution of the Board.



Mr Ian Ross
Chairman

Directors

Ian Ross (Chairman and Non Executive Director)
Chris Jordinson (Managing Director)
John Lemon (Non Executive Director)
Gida Nakazibwe-Sekandi (Non Executive Director)

Company Secretary

John Lemon

Auditors

Lawler Hacketts Audit
Level 3, 549 Queen Street
Brisbane
QLD 4000

Registered Office

Level 1, 500 Boundary Street
Spring Hill, QLD 4000

Telephone: +61 7 3833 3833
Facsimile: +61 7 3833 3888
Email: info@unionresources.com.au

Website: www.unionresources.com.au

Share Registry

Link Market Services Limited
Level 15, 324 Queen Street
Brisbane
QLD 4000

Solicitors

Eakin McCaffery Cox
Level 28, 1 Market Street
Sydney
NSW 2000

Underwriter and Lead Manager

Patersons Securities Limited
Level 23, 2 The Esplanade
Perth WA 6000

ASX Code: UCL

ABN: 40 002 118 872

8 GLOSSARY

"A\$", "\$" and dollars means Australian dollars, unless otherwise stated.

Acceptance Form means the Entitlement and Acceptance form attached to or accompanying this Prospectus.

Additional New Shares means New Shares in addition to an Eligible Shareholder's Entitlement for which an applicant makes an Application.

AEDT means Australian Eastern Daylight Time.

Application means an application for New Shares pursuant to the Acceptance Form.

Application Money means the money received from Eligible Shareholders in respect of their Application.

ASIC means the Australian Securities and Investments Commission.

Associates means the associates of John Igino Kahlbetzer, which for the purposes of section 610 of the Corporations Act, includes those Shareholders listed in Annexure A to this Glossary.

ASTC means ASX Settlement Corporation Pty Ltd (ABN 49 008 504 532).

ASTC Settlement Rules means the settlement rules of ASTC.

ASX means ASX Limited (ABN 98 008 624 691) or the market operated by that entity.

Board means the board of Directors.

Business Day means a day on which trading takes place on the stock market of ASX.

CHESS means ASX Clearing House Electronic Sub-registry System.

Closing Date means 5pm (AEDT) on 28 March 2011.

Company means Union Resources Limited (ABN 40 002 118 872).

Competent Person has the meaning set out in the JORC Code.

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Definitive Feasibility Study or **DFS** means the study to be completed to assess the feasibility and economic potential of the Sandpiper Project.

Director means directors of the Company at the date of this Prospectus.

Eligible Shareholders means a Shareholder as at the Record Date other than a Non-qualifying Foreign Shareholder.

Entitlement or **Right** means a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.

Existing Share means a Share held by a Shareholder as at the Record Date.

Issue means the issue of New Shares under this Prospectus.

JORC Code means the 2004 Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

New Shares means a fully paid ordinary share in the capital of the Company to be issued under this Prospectus.

Non-qualifying Foreign Shareholder means a Shareholder whose registered address is not situated in Australia or New Zealand.

Offer means the offer of 2 New Shares for every 7 Existing Shares held at the Record Date at a price of \$0.012 per New Share.

Official Quotation means official quotation on ASX.

Option means an option to subscribe for a Share.

Prospectus means the prospectus constituted by this document.

Related Party has the meaning given to this term as in the Corporations Act.

Record Date means 7pm AEDT on 8 March 2011.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Shortfall will occur if the Company does not hold successful valid Applications for all the New Shares offered by the Company under this Prospectus by the Closing Date.

Shortfall Shares means New Shares for which successful valid Applications have not been received by the Closing Date.

Underwriter means Patersons Securities Limited (ACN 008 896 311).

Underwriting Agreement means the underwriting agreement dated 9 February 2011 between the Underwriter and the Company in respect of the Offer.

Voting Power has the meaning given to this term as in section 610 of the Corporations Act.

ANNEXURE A

ASSOCIATES OF JOHN IGINO KAHLBETZER

Donwillow Pty Ltd (ACN 002 928 421)
Twynam Agricultural Group Pty Ltd ACN 000 573 213
Kahlbetzer Investments Pty Limited ACN 000 782 294
Kahlbetzer Holdings Pty Limited ACN 000 311 651
Ausmet Investments Pty Limited ACN 001 470 426
Twynam Commodities Pty Limited ACN 001 285 098
Twynam Cotton Pty Limited ACN 001 121 231
Twynam (Gundaline) Pastoral Company Pty Limited ACN 009 804 451
Twynam Pastoral Pty Limited ACN 000 193 377
Twynam Agricultural Pty Limited ACN 083 246 388
Colly Cotton Pty Limited ACN 002 720 470
Colly Farms Pty Limited ACN 001 712 812
Idameneo (No 157) Pty Limited ACN 003 148 758
Colly Grower Services Pty Limited ACN 003 148 767
Colly Farms Properties Pty Limited ACN 002 656 813
Colly Farms Management Pty Limited ACN 003 148 785
Colly Land Management Pty Limited ACN 074 409 073
Baroona Pty Limited ACN 008 413 536
Agriculture Australia Pty Limited ACN 003 148 730
Idameneo (No 156) Pty Limited ACN 003 148 749
Idameneo (No 159) Pty Limited ACN 003 148 776
Colly International Corporation Pty Limited ACN 074 327 629
Colly International Corporation (Foreign) Pty Limited ACN 074 327 727
Colly Cotton Marketing Pty Limited ACN 003 263 009
Colly Cotton Holdings Pty Limited ACN 115 977 298
Colly Farms Risk Management Pty Limited ACN 003 650 306
Colly Farms Marketing Pty Limited ACN 003 650 299
LIAG Argentina S.A.



UNION RESOURCES LIMITED

ABN 40 002 118 872

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

SRN/HIN:

Entitlement Number:

Subregister:

Number of Eligible Shares held as
at the Record Date, 7:00pm (AEDT)
on 8 March 2011:

Entitlement to New Shares
(on a 2 New Shares for 7 basis):

Amount payable on full acceptance
at A\$0.012 per Share:

**Offer Closes
5:00pm (AEDT): 28 March 2011**

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 2 New Shares for every 7 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.012 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Prospectus dated 28 February 2011. The Prospectus contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Prospectus. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus.

If you do not have a paper copy of the Prospectus, you can obtain a paper copy at no charge, by calling the Union Resources Limited Offer Information Line on 1300 880 472 (within Australia) or +61 2 8280 7495 (from outside Australia).

PAYMENT OPTIONS – If you wish to take up all or part of your entitlement, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return this acceptance form if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEDT) on 28 March 2011. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will have deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return this acceptance form with your Application Monies. No signature is required on the acceptance form. The acceptance form with your Application Monies must be received by the Registry before 5:00pm (AEDT) on 28 March 2011.



Billers Code: 136572
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

A Number of entitlement New Shares applied for – refer to section 4.2

B Number of additional New Shares applied for – refer to section 4.3

C Total number of New Shares applied for (add Boxes A and B)

+

=

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS

Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Union Resources Limited Share Offer Account" and crossed "Not Negotiable".

Cheque Number

BSB

Account Number

E YOUR CONTACT DETAILS

Telephone Number

Telephone Number – after hours

Contact Name (PRINT)

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form. If you do not take up or sell your rights, you may not receive any value for them. It is important that you decide whether to accept or sell your rights in accordance with the Prospectus.

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UNION RESOURCES LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Union Resources Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.012.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Union Resources Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Union Resources Limited Share Offer Account" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Union Resources Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. SALE OF YOUR ENTITLEMENT IN FULL OR IN PART BY YOUR STOCKBROKER AND ACCEPTANCE OF THE BALANCE

If you wish to sell all of your Rights through your stockbroker or if you wish to sell part of your Rights through your stockbroker and accept the balance you should contact your stockbroker and provide details as requested which appear on the previous page.

You should complete the "Instructions to your Stockbroker" panel below and forward this Entitlement and Acceptance Form to your stockbroker.

Instructions to your Stockbroker

I/We have accepted	<input type="text"/>
	New Shares as per reverse side
And attach a cheque/bank draft for	A\$
	being acceptance monies at A\$0.012 per New Share
I/We wish to sell	<input type="text"/>
	Rights to Ordinary Shares

4. DISPOSAL OF YOUR ENTITLEMENT OTHER THAN THROUGH A STOCKBROKER

A renunciation form must be used for all other transactions. These forms may be obtained from the Union Resources Limited Registry or your stockbroker.

5. OVERSEAS SHAREHOLDERS

The Prospectus and Entitlement and Acceptance Form do not constitute an offer of securities in any jurisdiction outside of Australia and New Zealand or to any person to whom it would not be lawful to issue the Prospectus. By applying for New Shares under this Entitlement and Acceptance Form or by accepting this offer, you represent and warrant that applying for New Shares does not breach any law in any relevant overseas jurisdiction.

6. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Prospectus electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Union Resources Limited
C/- Link Market Services Limited
Locked Bag 3415
BRISBANE QLD 4001

Hand Delivery

Union Resources Limited
C/- Link Market Services Limited
Level 15, 324 Queen Street
BRISBANE QLD 4000

(Please do not use this address for mailing purposes)

Make sure you send your Entitlement and Acceptance Form and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEDT) on 28 March 2011. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Union Resources Limited reserves the right not to process any Entitlement and Acceptance Forms and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Union Resources Limited Offer Information Line on 1300 880 472 (within Australia) or +61 2 8280 7495 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.