



# Union Resources Limited

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24 November 2010

Company Announcements Office  
Australian Securities Exchange

## **ANNUAL GENERAL MEETING**

- 1. ADDRESS BY CHAIR**
- 2. MD's PRESENTATION**

Please find attached:

1. an address to be delivered by the Chair of the meeting at the Company's Annual General Meeting today; and
2. a presentation to be given by the Company's Managing Director at the Annual General Meeting

Yours faithfully

**UNION RESOURCES LIMITED**

John Lemon  
Director/Company Secretary

Union Resources Limited

AGM November 2010

Address from the Chair

I would like to present a brief overview of the activities of your company, prior to the formal part of the meeting. Prior to the conclusion of the meeting Managing Director Chris Jordinson will make a presentation, following which he will take questions.

The year under review has been one of both change and advancement for your company. The Company continued the focus on the development of its offshore marine phosphate project in Namibia, whilst still maintaining its interest in, and commitment to, the development of the Mehdiabad Zinc-Lead-Silver project in Iran.

### **Namibia**

As reported in the Annual Report negotiations during the year under review enabled the Company's wholly owned Namibian subsidiary company Sea Phosphates (Namibia) Pty Limited ("SPL"), the holder of two EPL's 3414 and 3415, to execute with its JV partners, in accordance with the Joint Venture Agreement signed in October 2008, a Shareholders Agreement ("SHA") on 30<sup>th</sup> July 2010. These EPL's, which lie approximately 60KM offshore from Walvis Bay and Luderitz, cover some 200,000ha and, based on the sampling to date, contain a resource in the order of 1.6 billion dry tonnes at 18.8% P<sub>2</sub>O<sub>5</sub>. The Scoping Study which was underway at 30<sup>th</sup> June 2010 has now been completed, showing positive economic potential, and your company is now preparing to commence the Feasibility Study.

### **Mehdiabad Zinc-Lead-Silver Project**

During the year ended 30<sup>th</sup> June 2010 your company continued to hold discussions with the relevant Iranian parties in an effort to resolve the Mehdiabad Project dispute and progress the Project. The Company, in discussion with the Company's auditors, taking note of the perceived deteriorating economic and political situation in Iran, decided to impair the carrying value of the Company's investment in the Mehdiabad Project, in accordance with the applicable accounting standards. This does not mean that there is any change in the strategy of the Company in its continued efforts to achieve a positive outcome in relation to the Project.

Although Union remains committed to the development of the world class Mehdiabad Project, the uncertainties surrounding the current political environment in Iran are such that it could be some time before any value for our shareholders is realised.

### **Corporate Developments**

As reported on 1<sup>st</sup> March 2010, Dr Frank Reid resigned as Managing Director of the Company to pursue his personal interests. We would like to thank and wish Dr Reid success in his new endeavours. Mr Chris Jordinson was appointed as acting Managing Director from that date.

With change in emphasis to the Namibian Phosphate Project, the Rt Hon. Lord Lamont of Lerwick and Mr Karl-Axel Waplan resigned from the board on 29<sup>th</sup> November 2009. We thank both these directors for their support and counsel, particularly in connection with the Mehdiabad Project.

I would now like, in the interests of moving the meeting forward, to move to the formal part of the meeting before giving the floor to Chris Jordinson to provide an update on operations and to answer any questions you might have with regard to the Company's operations.

*The information in this announcement that relates to Mineral Resources 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 report of the matters based on his information in the form and context in which it appears.*

# UNION RESOURCES LIMITED (ASX – UCL)

## Annual General Meeting



24 November 2010



Union Resources Limited

# IMPORTANT INFORMATION

This presentation is not a prospectus nor an offer of securities for subscription or sale in any jurisdiction nor a securities recommendation.

The information in this presentation is an overview and does not contain all information necessary for investment decisions. In making investment decisions, investors should rely on their own examination of Union Resources Limited and consult with their own legal, tax, business and/or financial advisers in connection with any acquisition of securities.

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The presentation contains only a synopsis of more detailed information published in relation to the matters described in this document and accordingly no reliance may be placed for any purpose whatsoever on the sufficiency or completeness of such information and to do so could potentially expose you to a significant risk of losing all of the property invested by you or incurring by you of additional liability. Recipients of this presentation should conduct their own investigation, evaluation and analysis of the business, data and property described in this document. In particular any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and you should satisfy yourself in relation to such matters.

The drilling and other mining equipment featured in this presentation are generally not the property of Union unless specifically stated.

## Competent Person Statements

*The information in this report that relates to Mineral Resources for the SanpiperMeob Project and is based on information compiled by Mr Roger Daniel, a full-time employee of the Company and a member of AUSIMM and SAIMM. Mr Daniel 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 Daniel consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Mineral Resources for the Mehdiabad Project and 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 report of the matters based on his information in the form and context in which it appears.*



# INTRODUCTION

## Board of Directors

James Collins Taylor

Ian Ross

John Lemon

Chris Jordinson

## Share Structure

Market Cap 15.1m

Share Price 0.008

Top 40 85.2%

Twynam Group 31.5%

Minemakers Ltd 14.9%

## Recent Announcements

- Mining Licence Application
- Scoping Study Results
- Transfer of ELA's to JV
- Continued negotiation at MZC

## Projects

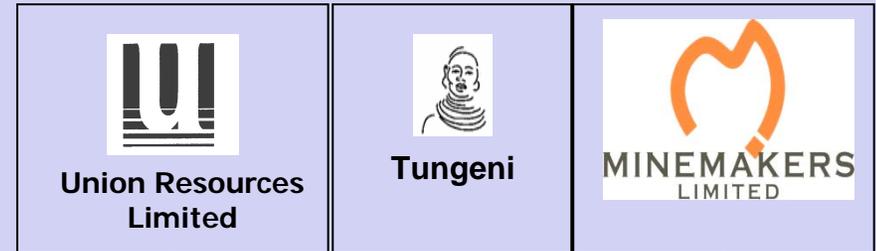
- Sandpiper/Meob Phosphate  
Namibia
- Mehdiabad Zinc, Lead, Silver  
Iran



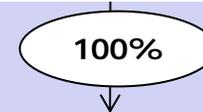
# SANDPIPER/MEOB PROJECT - NAMIBIA

## Joint Venture advanced

- Formed Oct 08 under the Joint Venture Agreement
- Formalised Jul 2010 under the Shareholders Agreement



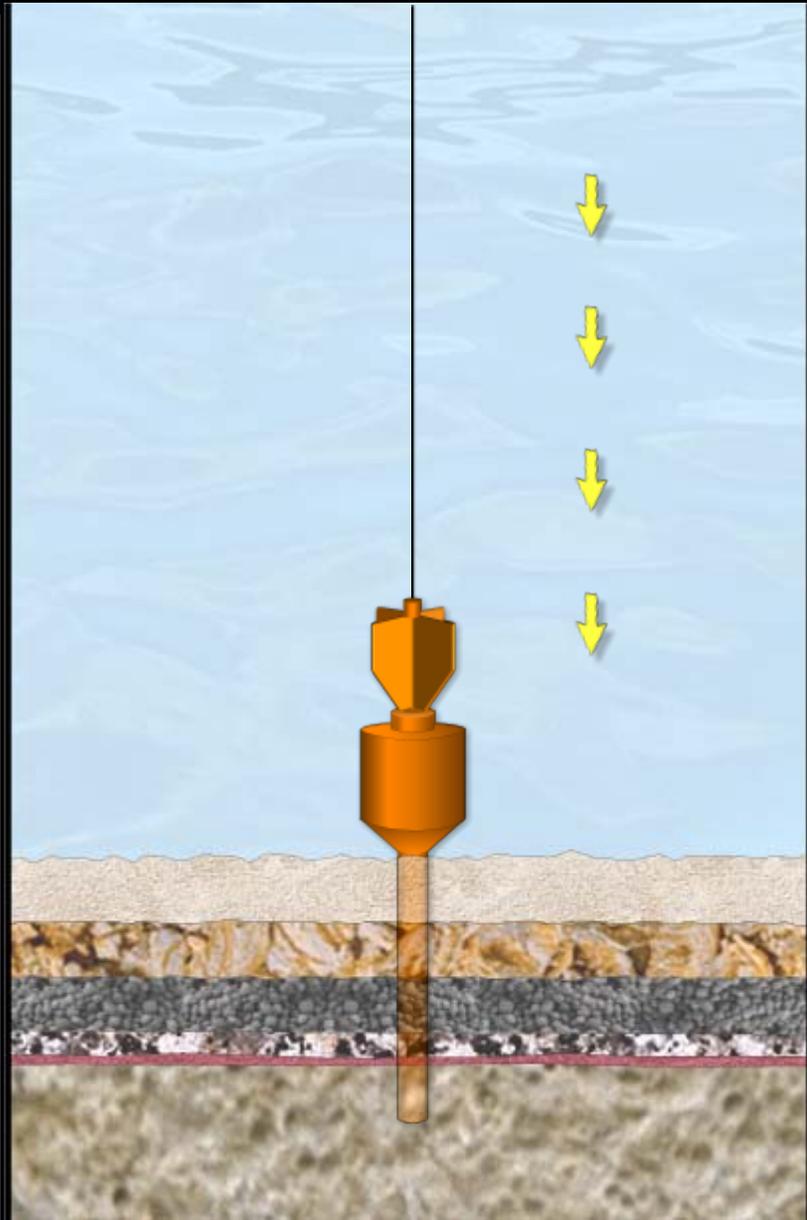
**NAMIBIA MARINE  
PHOSPHATE (PTY) LTD**



**Sandpiper/Meob  
Project**



# RESOURCE



Indicated	Inferred	Total
74Mt @ 20.57% P <sub>2</sub> O <sub>5</sub>	1,507Mt @ 18.57 P <sub>2</sub> O <sub>5</sub>	1,581Mt @ 18.8% P <sub>2</sub> O <sub>5</sub>



# Scoping Study



IHC MARINE AND MINERAL PROJECTS

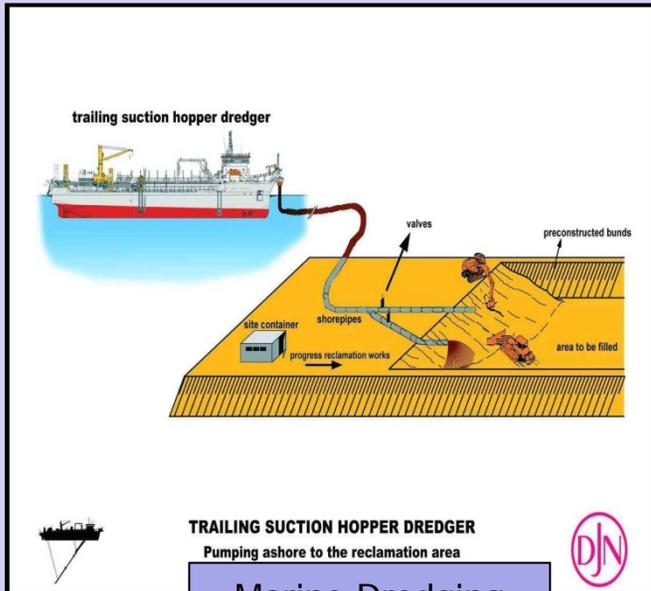


	Scoping Study Base Case
<b>Scoping Study Base Case Financial Model</b>	25 years
Scoping Study parameters	±30%
Saleable Rock Phosphate per annum	3.0mtpa
<b>Cash Operating Costs, FOB Walvis Bay</b>	<b>US\$57.76/t</b>
Capital Costs (Years 1-3)	US\$144M
Capital Costs per tonne	US\$7.65.t
NPV @ 10% discount rate	US\$312M
NPV @ 15% discount rate	US\$133M
IRR	25.5%

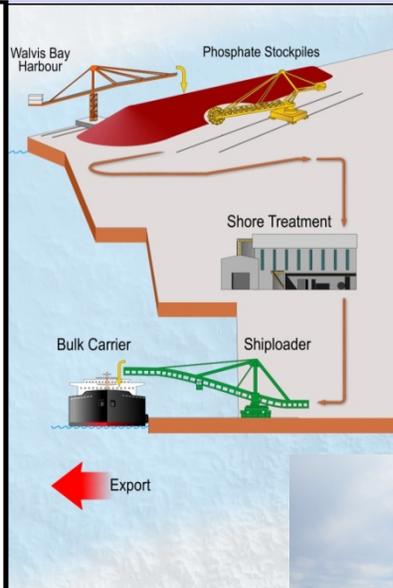


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# MINING, PROCESSING AND INFRASTRUCTURE



Marine Dredging



Bulk Loading Facility



Reclamation area

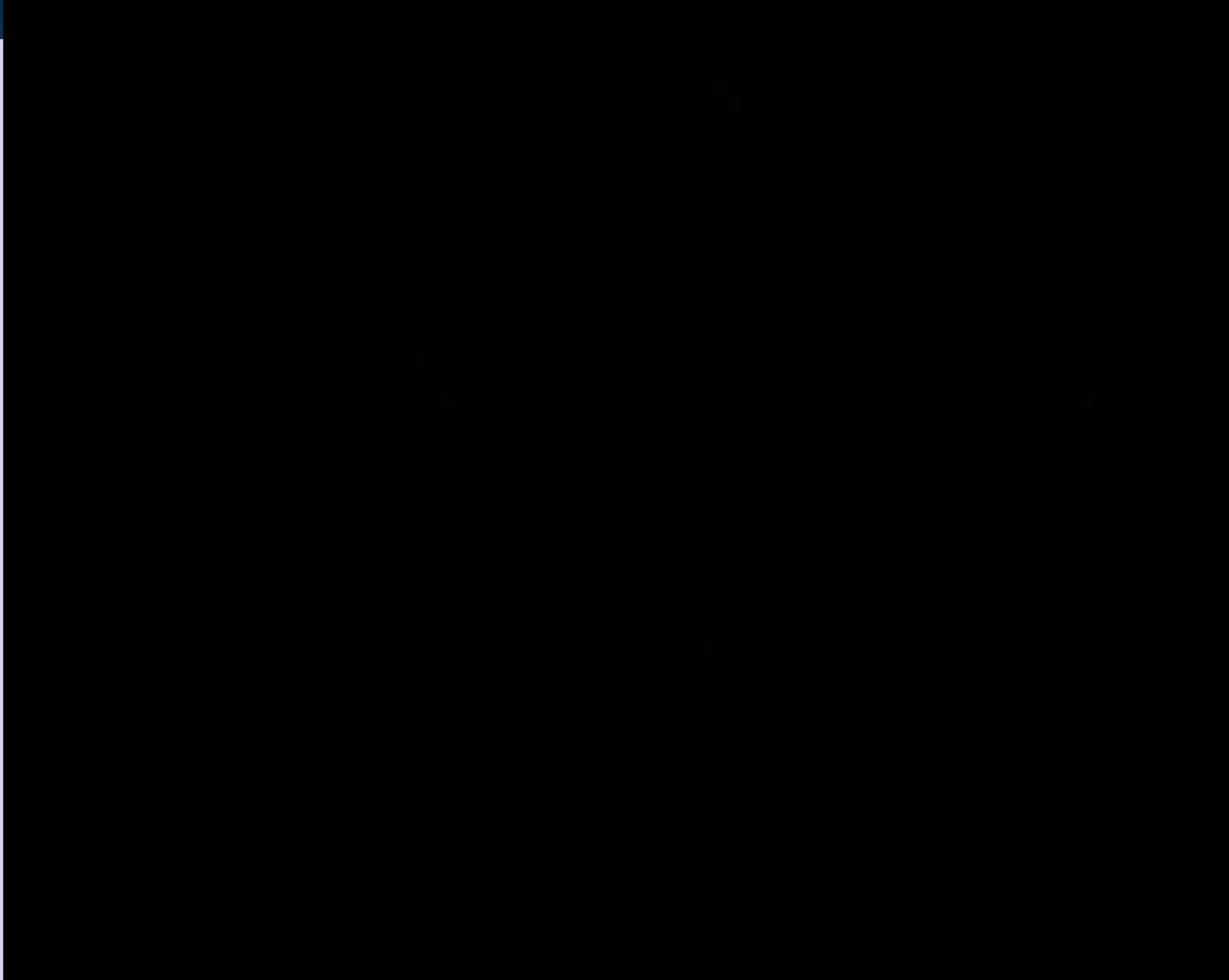
01.03.2010



Proposed Plant site



# MARINE DREDGING DEMONSTRATION



# DISTRIBUTION AND USES

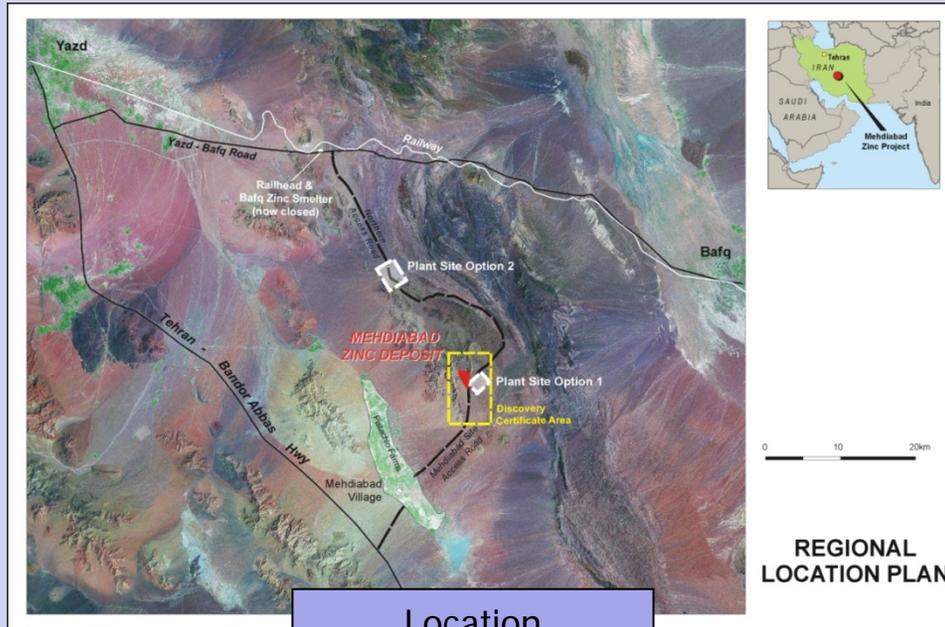


## Uses

1. Single Super Phosphate (SSP)
2. Phosphoric Acid
3. Fertilizer Products
  - Di-Ammonium Phosphate (DAP)
  - Mono-Ammonium Phosphate (MAP)
  - NPK



# MEHDIABAD PROJECT - IRAN



Location

Resources

Category	Mt	Zn	Pb	Ag
Measured	140	4.1	1.6	34
Indicated	222	4.2	1.6	36
Inferred	32	4.5	1.4	38
Total	394	4.2	1.6	34

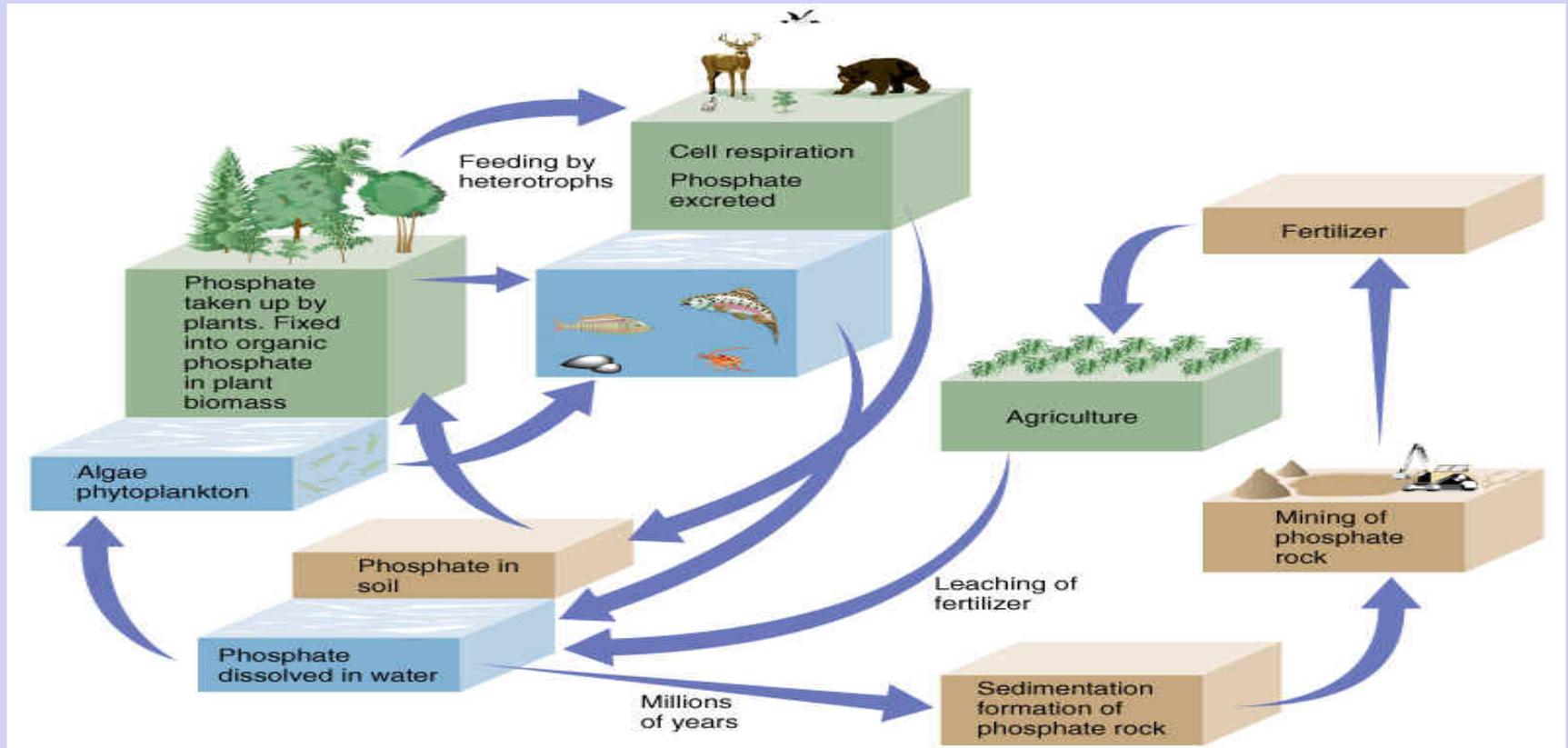
## Corporate Position

- Hold 24.5% equity in MZC
- Recognised Loan of US\$10.0m in accounts of MZC
- Investment to date US\$16.8
- Impairment decision
- Political situation in Iran
- Ongoing sanctions
- Legal position
- Management view



# UNION RESOURCES LIMITED

## Phosphorous Cycle



Source: Biology Department of the University of California - Stanislaus

## Thank you for attending



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