



# Union Resources Limited

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Company Announcements Office  
Australian Securities Exchange

## CONVERTIBLE NOTE EXECUTED TO ASSIST WITH SHORT TERM WORKING CAPITAL REQUIREMENT

Union Resources Limited ("**ASX – UCL**") ("**the Company**") has entered into a Convertible Note Deed ("**Deed**") with Donwillow Pty Limited ("**the Noteholder**") to raise A\$500,000 to be used for the short term working capital requirements of the Company.

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. The loan is redeemable in 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.

As advised to the Company on 27 September 2010 (and in turn notified by the Company to ASX), Twynam Agricultural Group Pty Limited, Donwillow Pty Limited, John Igino Kahlbetzer and each of the related bodies corporate of Twynam Agricultural Group Pty Limited holds 31.46% voting power in the Company. Under the term of the Deed the Noteholder may not redeem all or any part of the outstanding loan if to do so would lead to a breach of the "creep" provisions of the *Corporations Act 2001* (Cth) (which permit a person holding greater than 20% voting power in a company to increase their voting power in the Company by up to 3% every 6 months through the acquisition of an interest in the Company's voting shares) unless otherwise approved by the Company's shareholders.

Yours faithfully  
**UNION RESOURCES LIMITED**

Chris Jordinson  
Managing Director