

QUARTERLY REPORT
for the period ending
31 March 2010

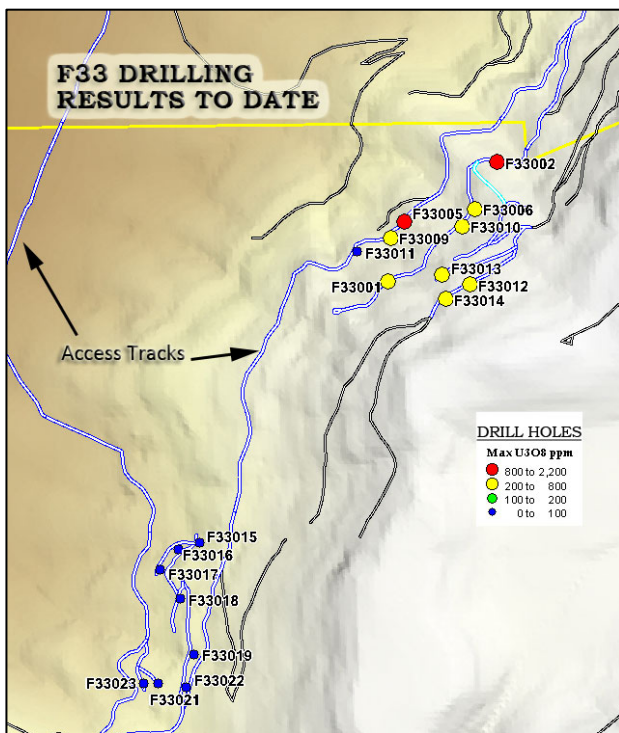
Grants Ridge Joint Venture, New Mexico

Drilling

F33 Project:

Eighteen reverse circulation drill holes were completed in January and February for 1,544 metres, to test for extensions of the historic Homestake F33 uranium mine. Best assays include the following:-

Hole Number	Depth From (m)	Depth To (m)	Interval (m)	U ₃ O ₈ (ppm)	V ₂ O ₅ (ppm)
F33 – 5	72	75	3	898	393
including	73	75	2	1,132	295
F33 – 2	100	107	7	426	320
including	106	107	1	2,122	1,142
F33 – 13	138	144	6	202	262
including	139	141	2	481	63
F33 -10	105	114	9	188	301
including	107	111	4	281	473



Limestone up to 10 metres in thickness was intercepted, compared to the anticipated 2 metres.

The high-grade intercepts in holes 2 and 5 will be followed up with further drilling to further define the high-grade zone in this area which are on-strike from the mine. These intercepts are seen as supporting the possible extension of the high-grade mineralisation at F33 mine south into this area.

From previous exploration and mining at F33 it is recognised that there is a sharp delineation between high-grade material and waste, so strongly elevated uranium values are not expected in limestone except in high-grade zones. The weighted average of all limestone intercepts for drill holes in the northern part of the area is 233ppm U₃O₈.

Rehabilitation of the initial drilling disturbance is largely completed.



Vanadium values range up to 1,607 and 1,160 and are not spatially associated with elevated uranium values. Numerous values in excess of 1,000ppm V_2O_5 were reported, indicating potential value from the vanadium within the project area.

Gamma probing of hole 05 outlined 32 metres of greater than 10,000 cps in sandstones overlying the Todilto Limestone. Results of chemical assaying suggest the gamma radiation was produced by daughter products and is not related to uranium content, indicating that uranium in the system is mobile.

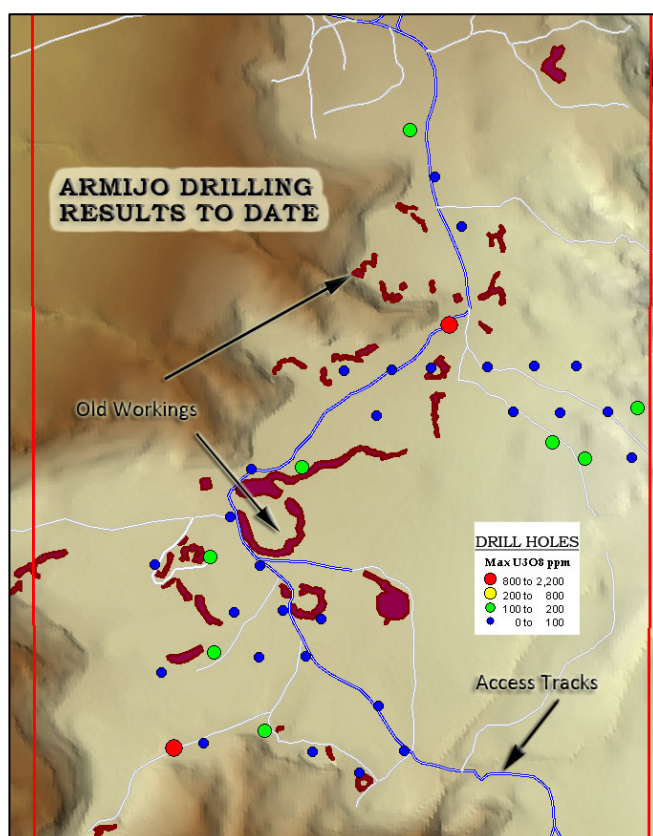
Armijo Project:

A total of 57 holes has been completed in a 60m x 60m staggered pattern. The thickness of limestone encountered has been significantly greater than the anticipated 2 metres, ranging up to 10 metres. However the uranium content has been lower than expected. Despite the presence of widespread visible carnotite at surface and in drill cuttings, many of the uranium assays received to date have been lower than expected based on previous surface sampling and mining.

Best assays include the following:-

Hole Number	Depth From (m)	Depth To (m)	Interval (m)	U_3O_8 (ppm)	V_2O_5 (ppm)
A – 73 including	0 0	3 1	3 1	295 826	125 71
A – 171 including	0 3	6 4	6 1	446 1,533	98 107

Vanadium values over 1,000 ppm V_2O_5 ranging up to 2,428 ppm are widespread and will be further evaluated for their impact on the economics of any future mining.



Drilling on Armijo has been halted pending a review of the assays and geology. Geophysical work is likely to be carried out to better target further drilling, particularly in the more prospective north-east of the project.

Drilling to date has not supported the geological model of widespread uranium values in the limestone which may be amenable to bulk mining and heap leaching. However there remains scope for further reef systems to be delineated.

It is thought that these systems are more likely to be located in the north-east of the project, where thicker cover due to erosion of the mesa would have made detection of these bodies more difficult. Assays from drilling completed in this area are awaited.

The existing surface waste and low-grade dumps have given assay results which would make them suitable for heap leaching and further work will be carried out to define this material.

Planned Exploration

At F33 a program of 4 drill holes will be carried out to test for continuity between the high-grade intercepts in holes 2 and 5, which intercepted values up to 2,122ppm and 1,132ppm U_3O_8 respectively. This may require a variation to the current drill permit, but this is not expected to cause significant delays.

In May the Company intends to commence a ground penetrating radar (GPR) survey over Armijo to map the surface topography of the limestone, outlining the “thicks” around which the historical high grades are known to have existed.

This survey will also be carried out over the Rick Claims, on which the Company has not yet carried out any exploration.

A radon ground survey will also be carried out over Armijo and the Rick Claims. Radon is emitted by uranium as a daughter product generated in the radioactive decay cycle and rises through the soil, and is therefore useful in locating an underlying uranium source. This technique may be useful both where the Todilto is covered by sands, and where the overlying sandstone is thin but there are no old workings, such as in the southern half of Section 9 and some of the Rick claims. An initial pilot survey will be carried out over two areas; one will be an area of known mineralisation where we already have mixed drill results; and one an area where sands lie over undisturbed rock which may present an opportunity for undiscovered high-grade uranium concentrations.

Spectrometer readings will be taken in each radon sample point. If there is a strong radon response but a low spectrometer response, this would suggest the presence of uranium at depth, because the spectrometer reading is readily masked by very small amounts of cover.

The combination of GPR and radon surveys will be used locate future drilling.

In the June Quarter multi-element geochemistry of existing drill samples will be carried out to trace mineralizing fluid paths. Electron-microscope probes of some polished thin sections will also be carried out to better understand the mineralogy and to detect any factors which may affect heap leaching.

Background

Uran is earning a 65% interest from joint venture partner Uranium Energy Corp (NYSE:UEC) in the GRJV. The GRJV holds 2,270 hectares of mineral claims and freehold (minerals to owner) land covering numerous historic shallow uranium mines in the historic Grants uranium mining area. This mineral belt was the largest uranium producing region in the USA in the previous production cycle, producing a reported 155,000 tons of U_3O_8 .

The Grants Ridge project targets the Todilto Limestone, which hosts numerous historic underground and open-pit mines with grades ranging from 0.18 – 0.38% U_3O_8 , with an average mined grade of 0.23%. This compares very favourably with resources currently being explored in other parts of the world. Historic uranium mines in the Todilto Limestone which used carbonate extraction also produced substantial amounts of vanadium at grades ranging from 0.03-0.5% V_2O_5 .

The Grants belt produced over 340,000,000 lbs U_3O_8 (154,545 tonnes) prior to 1986 and was the largest producing uranium field in the USA in the previous production cycle. It is an area known for historic high-grade uranium production. At least two mines in the belt are currently in permitting to resume production.

The project is very favourable for uranium exploration due to the high grade of historical production, at or near surface mineralization, excellent access and infrastructure, and active exploration and development in the area. In addition the acquisition cost is very low compared to similar projects in countries such as Namibia or Australia.

There were several smaller-scale open pit and underground operations on the project area in addition to the underground operations at F33 (Homestake) and the open pits at Sections 4 and 9 (Anaconda). Some of these have had significant historical production at high grades. The widespread mineralisation of the host limestone is considered to provide potential to delineate mineralisation suitable for bulk mining of large tonnages.

Known mineralisation within the project is in fairly flat-lying stratigraphy, at depths ranging from surface at the Section 4 and Section 9 mines, to 150 metres at F33 mine under a small mesa. The shallow depths together with high-grade mineralisation make the area very attractive for mining.

Uravan Joint Venture, Utah and Colorado

In December 2009 Uran entered into an agreement with Canadian company Summit Point Uranium Corp ("Summit") to acquire up to an 85% equity in the Uravan Project, which consists of 501 registered mineral claims covering 4,080 hectares straddling the Utah and Colorado border. The project lies at the junction of the Uravan Belt ("uranium-vanadium") and the Lisbon Valley, two significant uranium-producing areas in the USA between 1945 and the early 1980s.

The mineral claims cover numerous historic small to medium-sized open pit and shallow underground uranium mines and lie within an active uranium exploration and mining area.

Uran can earn a 65% interest in the project by:-

- expending US\$300,000 on exploration within 2 years, with a minimum of \$100,000 in Year 1; and
- issuing 2,000,000 shares to Summit upon confirmation of the joint venture following Uran's due diligence, and a further 3,000,000 shares on the earlier of the grant of an exploration permit to allow drilling, or the first anniversary.

Uran is entitled to increase its equity to 85% by:-

- expenditure of a further \$1,200,000 within a further 3 years; and
- issuing 3,000,000 shares to Summit on completion of the earn-in expenditure.

The agreement is conditional on Uran's due diligence, which has been extended to 28 May 2010.

Background

The Uravan mineral claims lie partly within Utah and partly within Colorado. Utah is seen as a 'permitting-friendly' state, and the mineral claims are entirely on BLM land which will make permitting relatively quick and simple.

The Uravan Project conforms to Uran's strategy in the USA of acquiring projects in historic uranium mining areas in 'mining-friendly' locations where mineralisation is close to surface, and where previous mining targeted only the high-grade core of uranium deposits leaving lower grade mineralisation which may be amenable to bulk mining and heap leaching.

The average mined grade for the project area is reported to have been 0.22% U₃O₈ from open pit or shallow underground mines. Uranium is present as carnotite with secondary carnotite. Vanadium is present as tyuyamunite and other minerals which are amenable to alkaline leaching.

Osecna-Kotel and Brzkov Projects, Czech Republic

Elections are due to be held in Czech Republic in late May. The Company will be watching the outcome of the election closely as this may have an impact on the processing our applications of Exploration Permits covering uranium mineralisation which has been extensively drilled prior to 1990.

Corporate

Cash at the end of the Quarter was \$266,000.

On 17 February 2010, the Company announced the successful completion of its capital raising via the issue of 14,043,302 shares at an issue price of \$0.035 per share, together with 14,043,302 free attaching options, to raise \$491,515.59.

Funds raised pursuant to the placement will be used to fund the exploration, including drilling and metallurgical studies, of the Grants Ridge Project and recently announced Uravan Project.

The Company also issued 750,000 shares to Uranium Energy Corp in accordance with the earn-in requirements of the Grants Ridge Joint Venture agreement, details of which were released to ASX on 15 January 2009.

Kate Hobbs
MANAGING DIRECTOR

Competent Person Statement

The information in this statement as it relates to Exploration Results and metal content is based on information compiled by Ms Kate Hobbs, the Company's Managing Director, a full time employee of the Company. Ms Hobbs has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Ms Hobbs consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.