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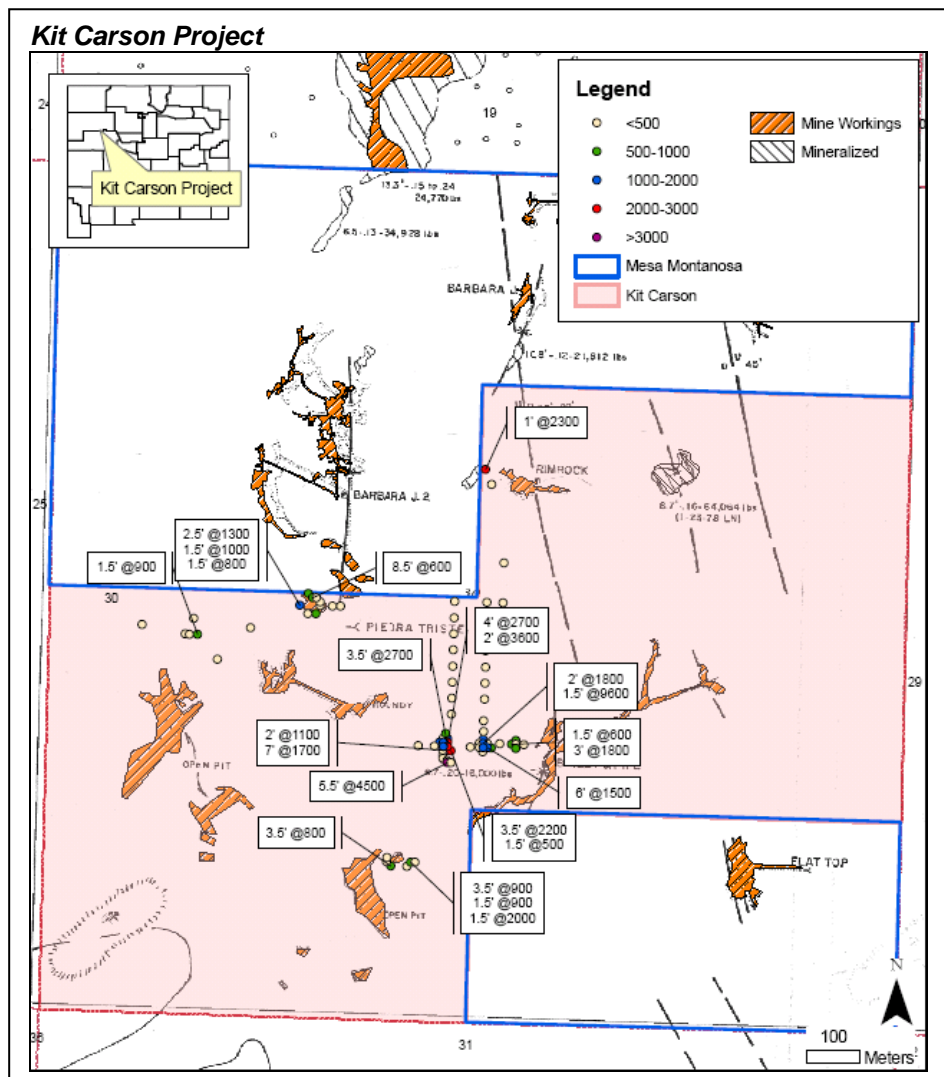
New Kit Carson Project, Section 30, Grants Area USA

Further High-Grade Results for Mesa Montanosa and Section 24, Grants Ridge JV

Uran has acquired ownership of 100% of mineral rights in the part of Section 30 (Mesa Montanosa) which are not held by the Grants Ridge Joint Venture.

By agreement with joint venture partner Uranium Energy Corp (NYSE:UEC), this area does not form part of the Grants Ridge Joint Venture, so will be a separate project known as the Kit Carson Project.

Drill logs have been located to date for 87 holes within the new project area. These show that mineralisation continues through the project with numerous high-grade intercepts ranging up to **9,600 ppm U_3O_8** . Best results which have not already been mined are set out below.



A seismic survey planned for December will be carried out over part of the project, to test for extensions of previously mined structures.

Due to the rise in the ground surface towards the north, the target Todilto Limestone is closer to surface on Kit Carson, around 29-33 metres (95-110'). For this reason both open-pit and underground mining were carried out within the Kit Carson project area in the past. In the event of any future mining, it would be an economic advantage to be able to develop from an open pit mine into deeper ore to the north.

This area is private land, and would be a favourable location for any future infrastructure due to simpler permitting requirements.

Note that in the map above, an area is shown as 'mineralised'. This is taken from a compilation map prepared by Homestake Mining in 1980. No drill records have yet been located for this drilling.

TABLE 1: Best Intercepts from Historical Drilling, Kit Carson Project

Hole Number	Hole Depth (feet)	Thickness Limestone (feet)	Intercept 1		Intercept 2		Intercept 3	
			Thickness (feet)	ppm U ₃ O ₈	Thickness (feet)	ppm U ₃ O ₈	Thickness (feet)	ppm U ₃ O ₈
HH.25-26.7	220	15	1	2,300				
I.75-22.5		6.5	3.5	900	13.5	900	1.5	2,000
P.25-24.8	110		2	1,100	7	1,700		
P.75-24.8	100	25	4	2,500				
P.75-25.05	100	25	3.5	2,200	1.5	500		
P.125-24.8C	102	30	4	2,200				
P-24.8	105	30	5.5	4,500				
Q.5-24.8	105	20	2.5	1,900				
Q.5-27	100	15	2	1,400				
Q.8-24.7	110	20	9.5	700				
Q.25-24.3	115	30	2	1,300				
Q.25-24.8	100	20	4	2,700	2	3,600		
Q.25-24.55	105	20	5.5	1,700				
Q.25-27	100	20	2	1,800	1.5	9,600		
Q.25-28.75	110	20	3	1,800				
Q.25-29.5	115	20	5.5	1,400				
Q-24.8	98	18	3.5	2,700				
Q-24.55	100	15	6.5	1,200				
Q-27.5	100	20	8	800				
Q-27.25	95	13	6	1,500				
Q-27	110	25	4.5	1,300				
Y.5-15.5	115	25	2.5	1,300	1.5	1,000		
Y.5-16.5	120	30	7.5	4,400	2	2,900		
Q-27.25	95	13	6	1,500				
Q-27	110	25	4.5	1,300				
Y.5-15.5	115	25	2.5	1,300	1.5	1,000		

Excluding mined holes

Ongoing Exploration, Grants Ridge Joint Venture

More drill logs and maps for drilling carried out by Ranchers Exploration and Development Inc have been recently obtained by the GRJV for Mesa Montanosa and Section 24, which form part of the Grants Ridge Joint Venture.

Detailed surveying of old mine shafts, vents and drill holes, where they can still be located on the ground, is underway. This allows the old maps to be corrected for greater accuracy especially with respect to what drill intercepts have already been mined. Slight amendments to the planned drill program on Montanosa are underway to take account of the new surveying.

Mesa Montanosa

A further 93 drill logs from past drilling within Mesa Montanosa have been obtained. Of these, 48 holes have intercepts above 1,000 ppm ranging up to **1.09% U₃O₈**. Intercepts above 1,000 ppm U₃O₈ which have not already been mined are provided below.

TABLE 2: New Results Greater than 1,000 ppm from Historical Drilling, Mesa Montanosa Project

Hole Number	Hole Depth (feet)	Thickness Limestone (feet)	Intercept 1		Intercept 2		Intercept 3	
			Thickness (feet)	ppm U ₃ O ₈	Thickness (feet)	ppm U ₃ O ₈	Thickness (feet)	ppm U ₃ O ₈
AA.4-16.9	125	15	7	1,000				
AA.9-16	135	20	1.5	700	1.5	1,900		
AA.9-17.4	105	20	2.5	1,700				
AA.15-19.0	140	35	9.5	1,200				
AA.15-19.5	135	15	6	3,400				
AA.65-18.5	135	20	1	1,300				
AA-18.2	127	10	2.5	1,200	1	5,800	1.5	1,700
AA-19.4	135	20	1	1,300				
DD.3-15.5	144	17	3	1,200				
DD-15.9	145	22	1.5	1,100	2	3,800		
GG.2-25.8	210	20	1.5	2,900				
GG.3-25.4	210	25	2	6,300				
GG.4-25.2	215	10	2	1,200				
GG.5-25.6	210	10	12.5	2,300				
GG.65-25.9	210	13	4	1,700				
GG-25.6	215	30	1.5	1,100	2	10,900		
HH.15-26.1	220	20	4	7,700				
NN.2-27.2	277	23	2	1,300				
PP-29	295	25	6	1,500	2.5	2,500		
QQ.6.16.3	255	25	1.5	2,600				
RR.4-16.1	262	22	2.5	1,400				
SS.1-16.4	270	25	1.5	2,300				
SS.1-16.7	270	20	2.5	4,100				
SS.9-17	280	25	1.5	1,400				
UU.9-16.1	300	35	6	2,000				
VV.4-16.4	289.5	8.5	6	1,730				
VV.9-16.8	320	30	3	2,600				
VV.9-17.1	310	20	3	1,200				
WW.4-17.2	320	25	3.5	2,300				
XX.1-17.4	320	30	2	2,000				
XX.5-17.1	340	30						

Excluding mined holes

An application to allow drilling on Mesa Montanosa has been lodged. Drilling of about 100 RC holes is planned to test for; potentially economic mineralisation between the Barbara J and Hope mines; potentially mineralised structures on the west of the project area where no historic drilling appears to have been done; and south of the Barbara J 2 mine.

Results of a radon survey carried out in September/October have been received. The results show a very high level radon anomaly about 300 metres by up to 500 metres in the western part of Mesa Montanosa, where no previous mining or drilling appears to have been carried out. The anomaly is both larger and more continuous than mineralised structures generally seen in the area, so further work is being carried out to check the validity of the results. A surface radiometric survey was carried out and confirmed that the anomaly is not due to wind or water-borne radioactive dust on the surface due to mining in the area. A check radon survey over the immediate area will be carried out with a very short residence time, to obtain better definition of the underlying source.

A seismic survey is planned for December to better define mineralised structures and will be used to refine the drill program.

Section 24

Drill logs and maps showing 123 holes drilled by Ranchers Exploration and Development Inc have been obtained by the GRJV. Intercepts greater than 1,000 ppm U_3O_8 which have not been mined are tabulated below.

Section 24 abuts Section 19, which hosts both the Hope underground mine which exploited the Todilto Limestone between Mesa Montanosa and Section 24; and also the Poison Canyon open pit and underground mine which exploited the Poison Canyon sandstone in the overlying Morrison Formation.

Mining of the Todilto on Section 24 accessed the ore from the Hope Mine to the south as the depth to ore increases significantly under the flanks of the mesa. The Blue Peak underground mine on Section 24 was driven into the side of the mesa exploiting the Poison Canyon sandstones.

On-ground verification and plotting of drill-hole and mine locations is not yet complete.

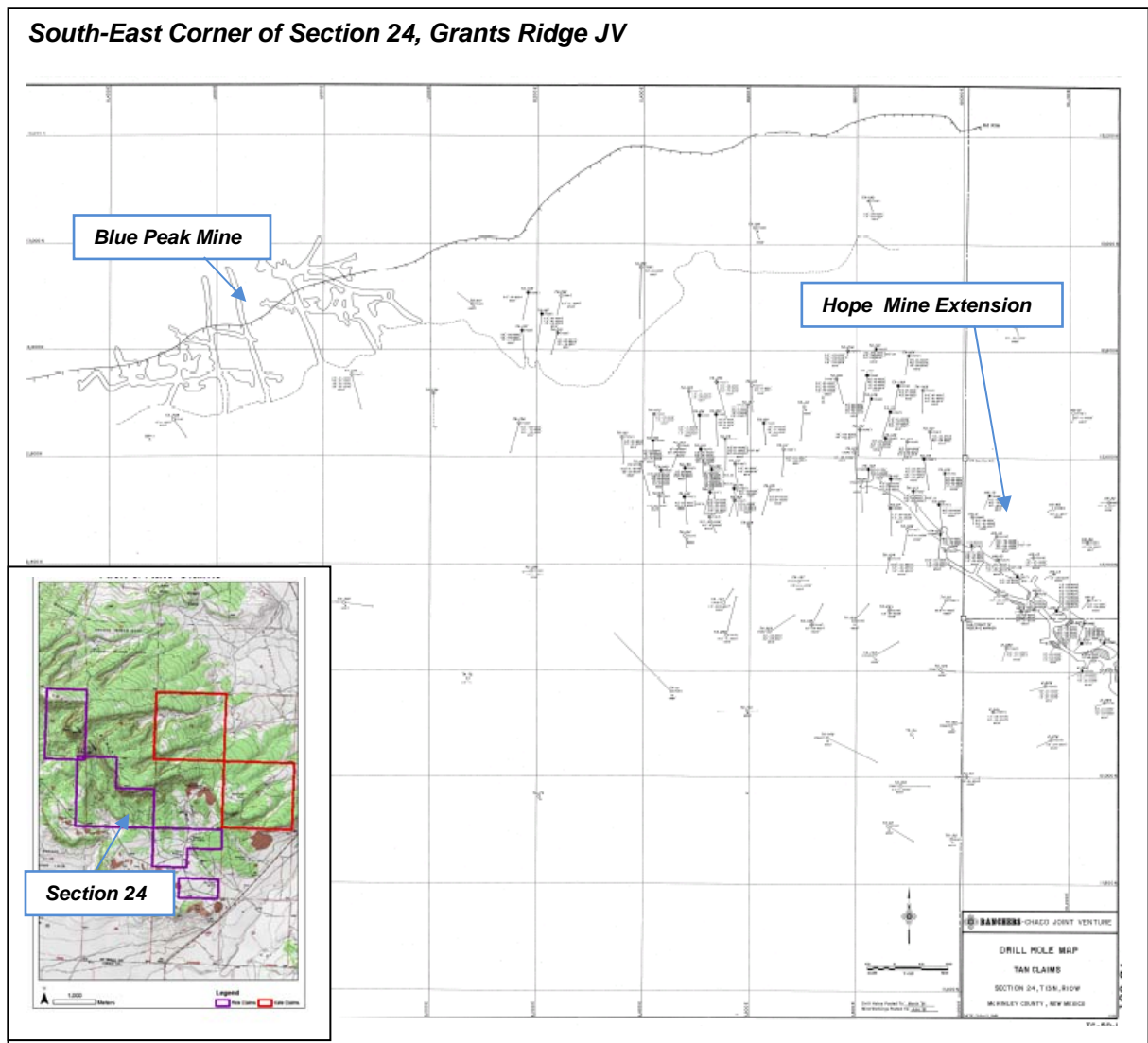


TABLE 3: Results Greater than 1,000 ppm from Historical Drilling, Section 24, GRJV

Hole Number	Depth to Min'sation (feet)	Intercept 1		Intercept 2		Intercept 3	
		Thickness (feet)	ppm U ₃ O ₈	Thickness (feet)	ppm U ₃ O ₈	Thickness (feet)	ppm U ₃ O ₈
E-394	516	1	1,100				
E-395	554	6	1,500				
E-390	520	6	2,900				
E-397	538	3	1,300				
HN-3	523	8.5	2,300	1	1,300	2.5	1,700
HN-8	528	2	1,900	4	1,000		
HN-9	510	2	2,100				
HN-10	529	2	1,400				
HN-18	533	2	1,500				
HN-19	560	2	1,000				
TA-103	528	2	2,100	1	1,600		
TA-109	638	4.5	4,700				
TA-105	639	1	1,700				
TA-113	670	2	1,700	3	2,400		
TA-106	639	1	1,700				
TA-107	674	2.5	1,100				
TA-114	674	2.5	2,500	1.5	1,100	6	2,400
TA-115	670	6	2,300				
TA-116	669	2.5	1,000	8	1,000		
TA-119	667	3.5	1,000	5.5	1,200		
TA-120	679	3.5	1,800	7.5	1,400		
TA-122	697	6.5	2,100				
TA-125	697	3	1,700				
TA-126	678	2	1,100				
TA-128	710	6	1,000	6	3,300		
TA-130	620	1.5	1,500	1	1,900	1	1,500
	continued			1.5	3,200	4.5	2,200
TA-131	680	3.5	1,000				
TA-137	623	5	3,500	5.5	2,300		
TA-132	723	5.5	1,100				
TA-135	640	1.5	2,700	1.5	1,000		
TA-138	742	3	3,100				
TA-139	715	2	2,300				
TA-140	660	3	2,200				
TA-185	717	3.5	1,800	1.5	1,600		
TA-141	635	5.5	1,200	3	3,900		
TA-142	637	4	5,200	3.5	1,700		
TA-152	573	2.5	2,200				
TA-156	687	3	2,200	5	1,400		
TA-187	805	7	1,200				
TA-191	732	2.5	1,600				
TA-197	784	7	1,700				
TA-199	825	3	2,000				
TA-215	795	1.5	1,800				
TA-216	705	2	1,800				

Excluding mined holes

Mapping and location of historic drill holes is underway. Some drill holes in the Poison Creek sandstones appear to be open and down-hole gamma probing will be carried out if possible.

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.