

# U R A N I O

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## Company Overview

## Review of Madagascar Coal Opportunity

**Dr Robert Wrixon** Managing Director

November 2008



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**This presentation has originated from URANIO LIMITED, a Western Australian based, ASX listed company.**

# Company Information and Capital Structure

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## CURRENT

Shares on Issue	39.3 million
Unlisted Options	11.8 million
Performance Shares	nil
Cash position	\$2.8 million

## POST PROPOSED TRANSACTIONS

103.3 million
11.8 million
60 million
\$6.0 million (approx.)

## URANIO BOARD

Robert Wrixon	Managing Director
Marcello Cardaci Blakiston and Crabb	Chairman
David Rieke Grange Consulting	Director

Likely a new 5 person board  
including representation from  
Coal of Africa Ltd and  
Manhattan Resources Pty Ltd

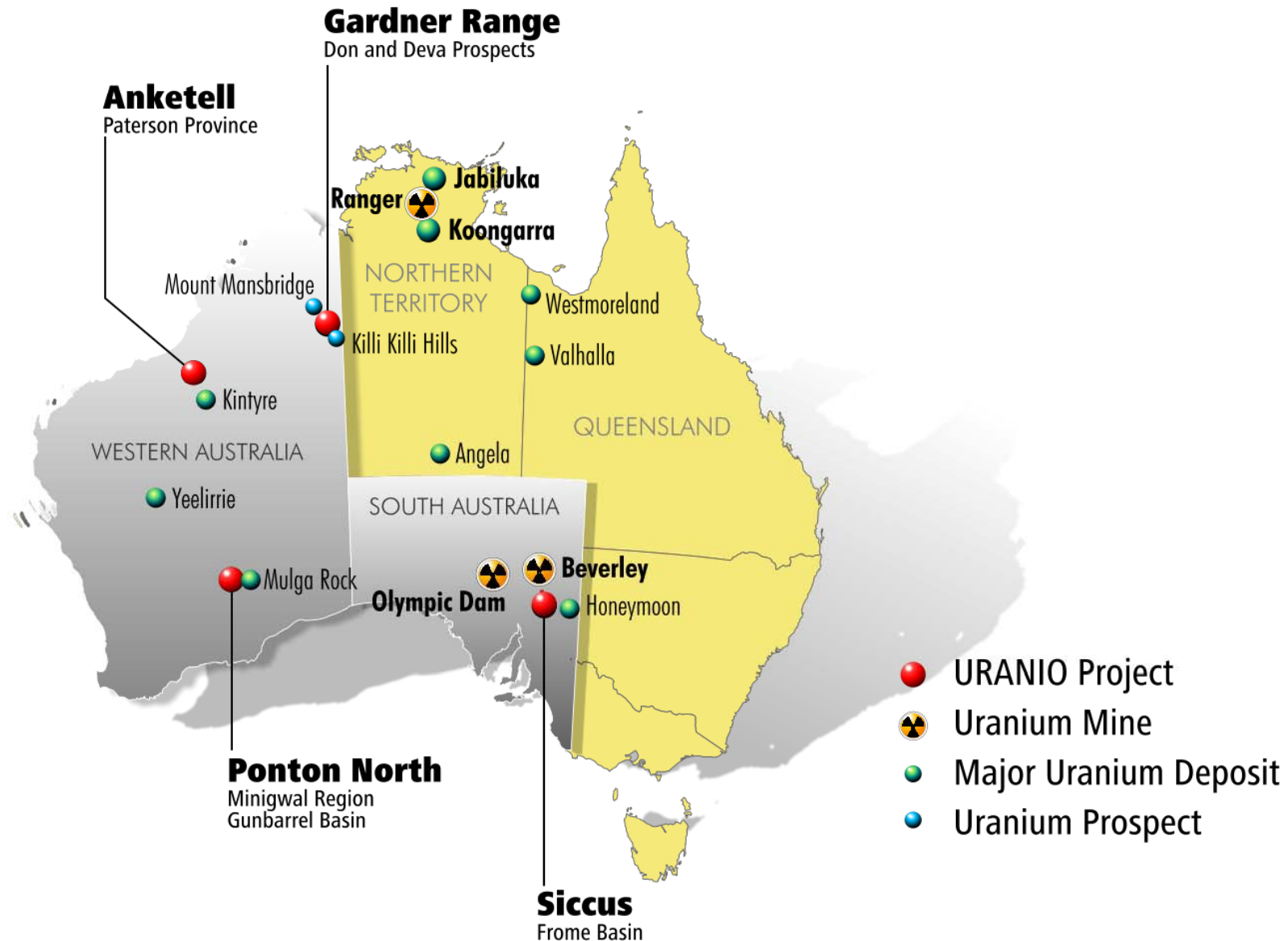
Phil Warren Grange Consulting	Company Secretary
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Change of Company Secretary likely

Website	www.uranio.com.au
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Change of Company name likely

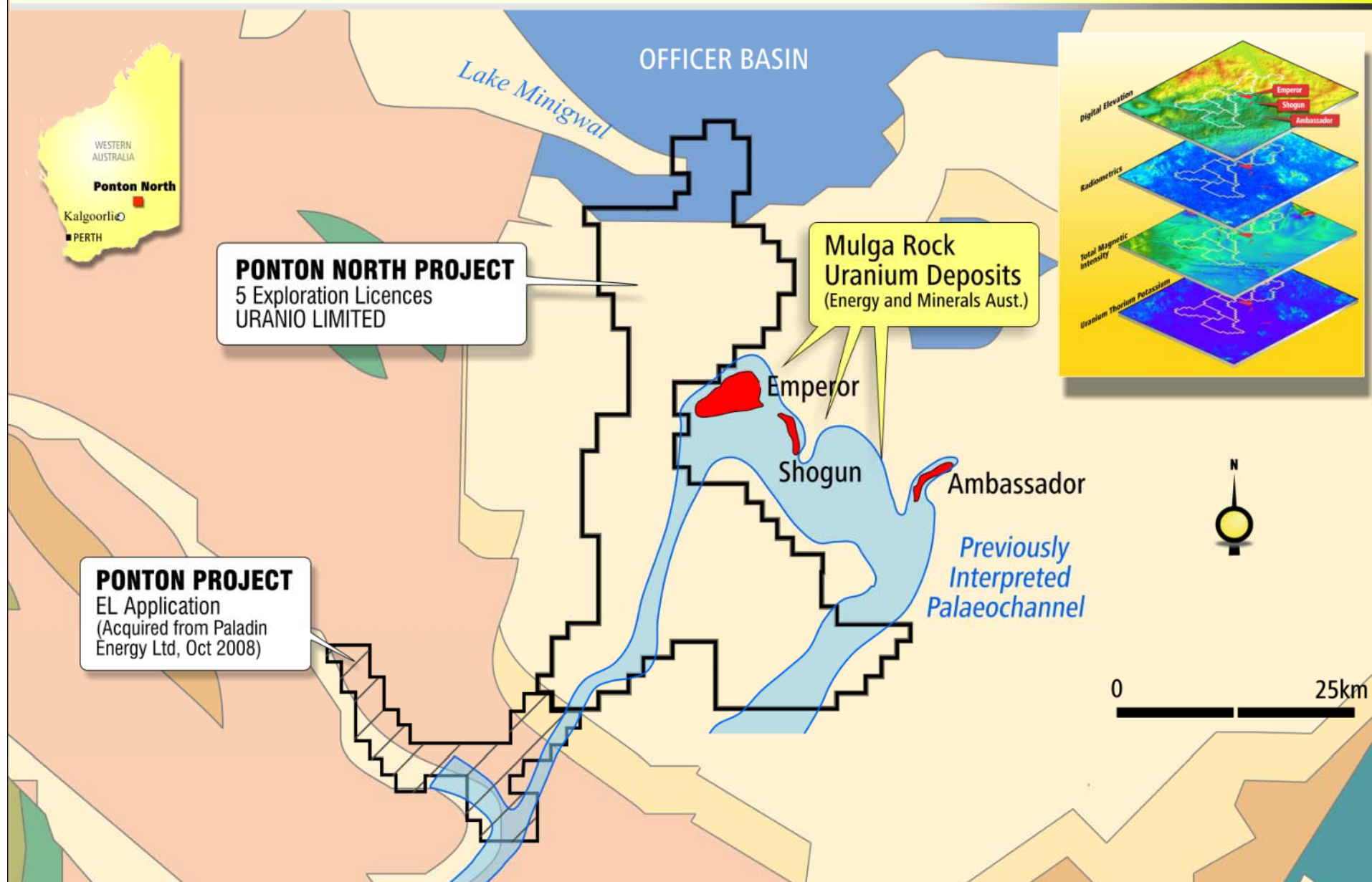
## Current Portfolio – uranium exploration in Australia





# Ponton/Ponton North Projects, Western Australia Regional Setting

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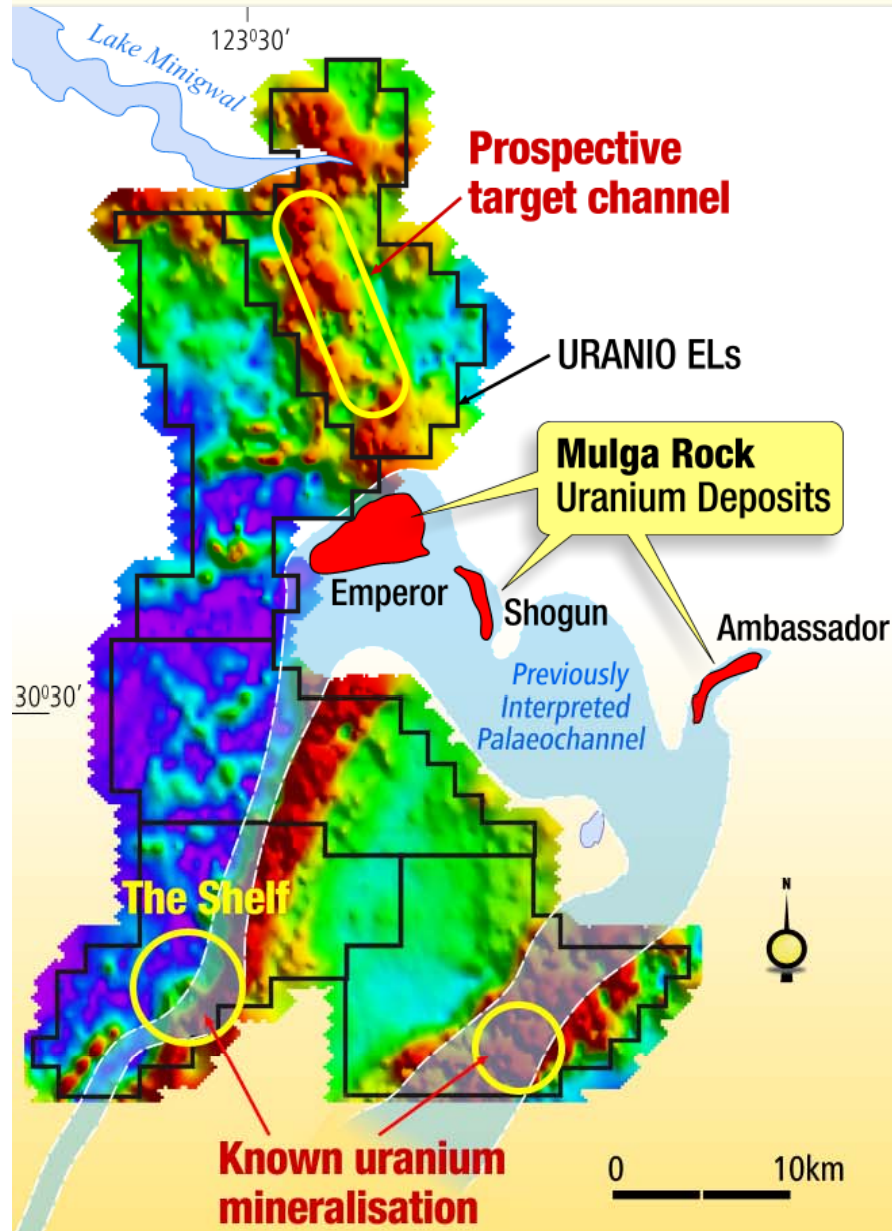


# Ponton North Project

## Interpreted Airborne Electromagnetic Survey Results

75m notional depth

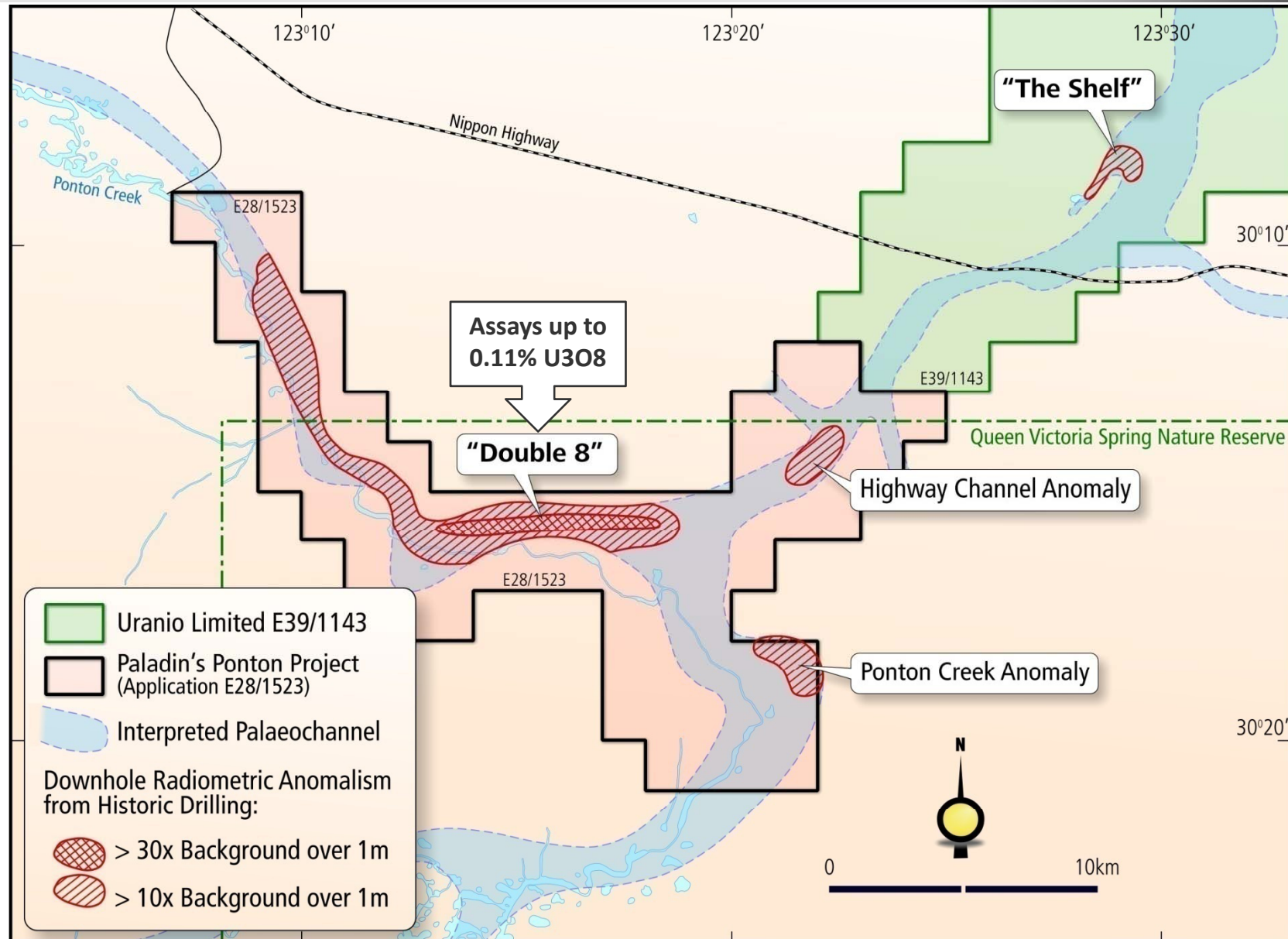
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- Airborne EM confirms interpreted palaeochannels
- Known mineralisation at 'The Shelf'
  - Up to 540ppm from the lignite layer at 30-40m depth
- 74 hole drill program completed in Sept for 4,630m
- Assay results being processed

# Uranio Limited acquires adjacent Ponton Uranium Project from Paladin Energy Ltd in October 2008

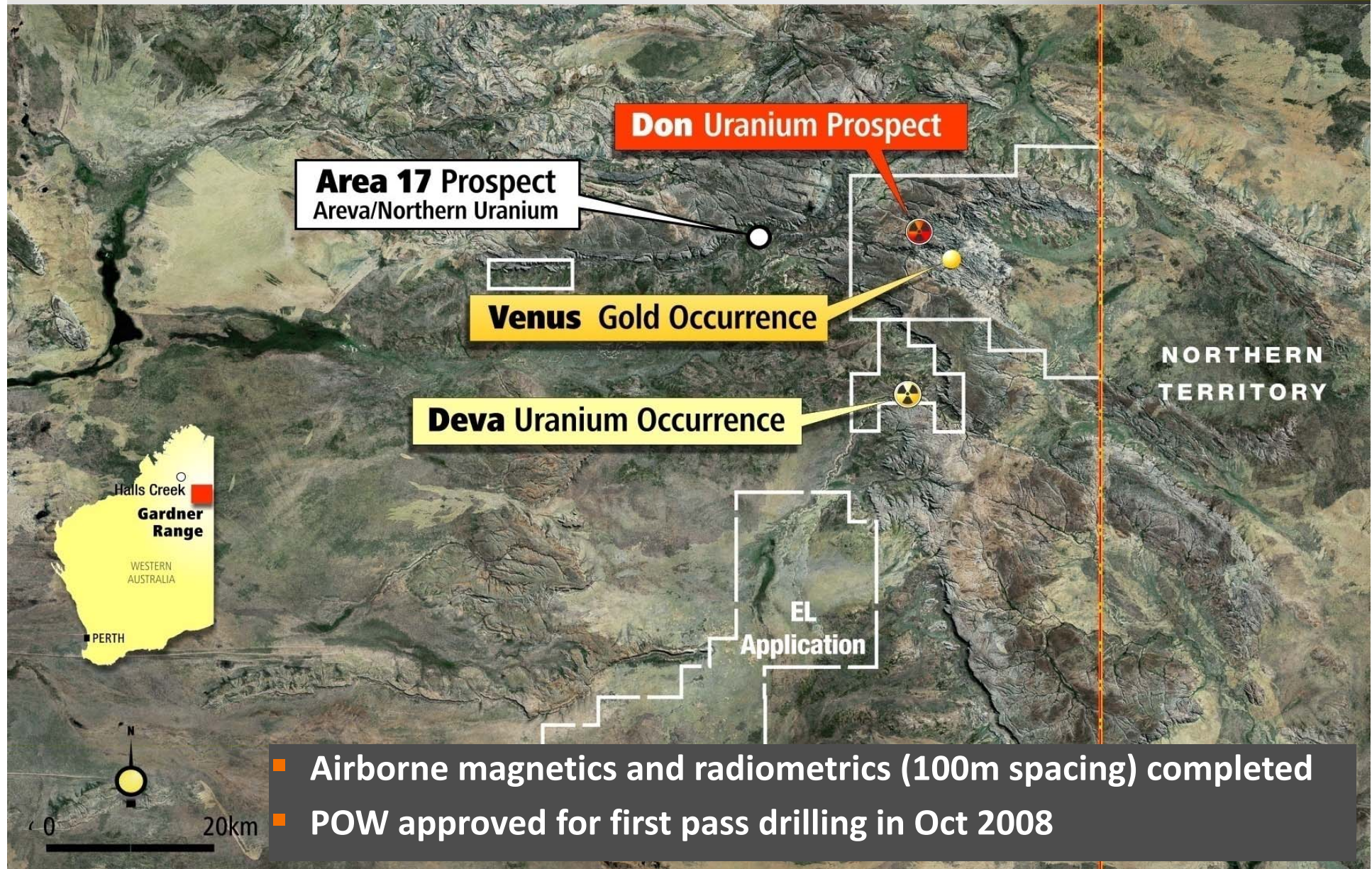
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# Gardner Range Project, Western Australia Regional Setting

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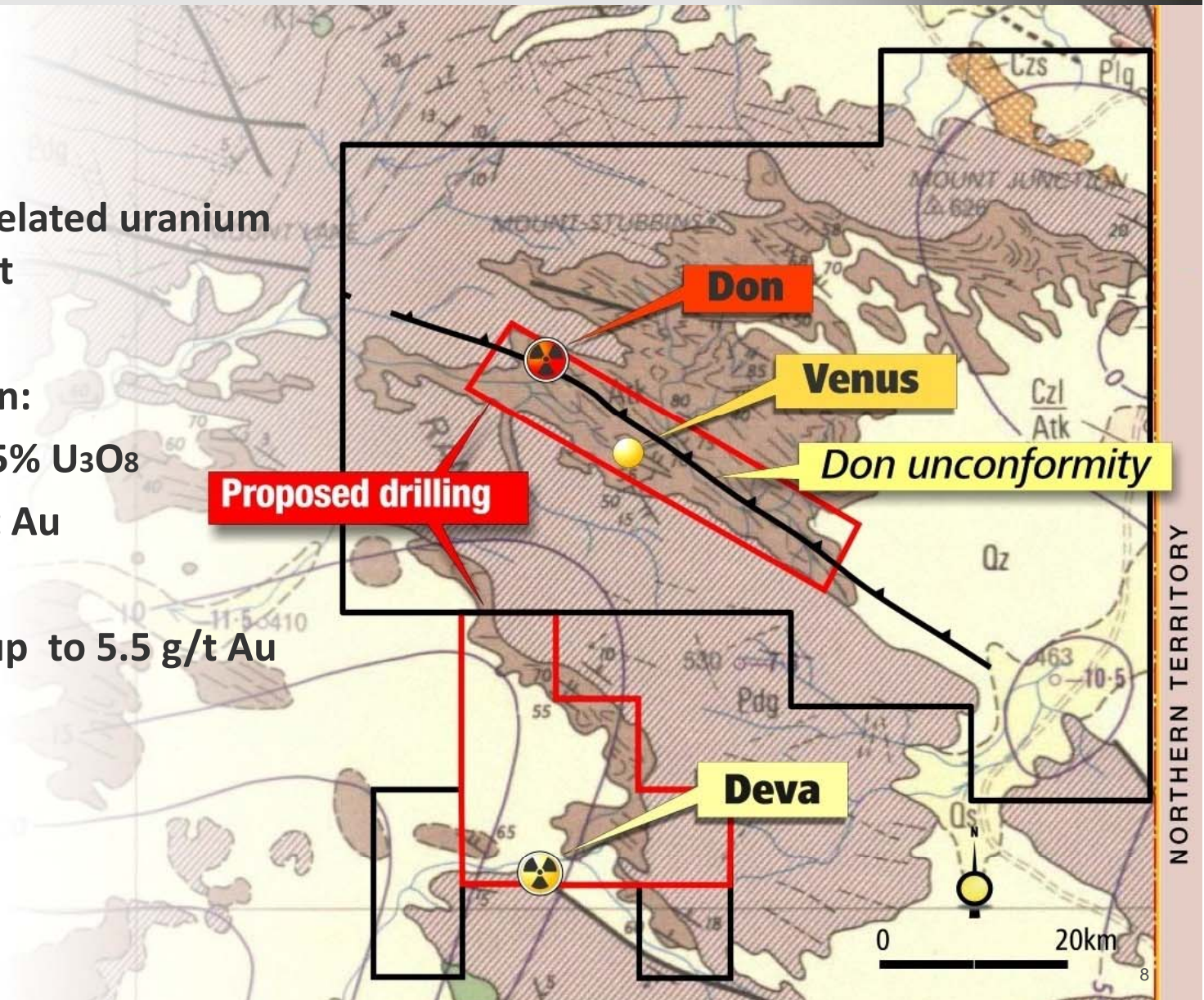




# Gardner Range Project, Western Australia Geological Setting

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- Unconformity related uranium and gold project
- Don intersection:
  - 44cm of 1.5%  $U_3O_8$
  - with 1.7g/t Au
- Venus: Assays up to 5.5 g/t Au

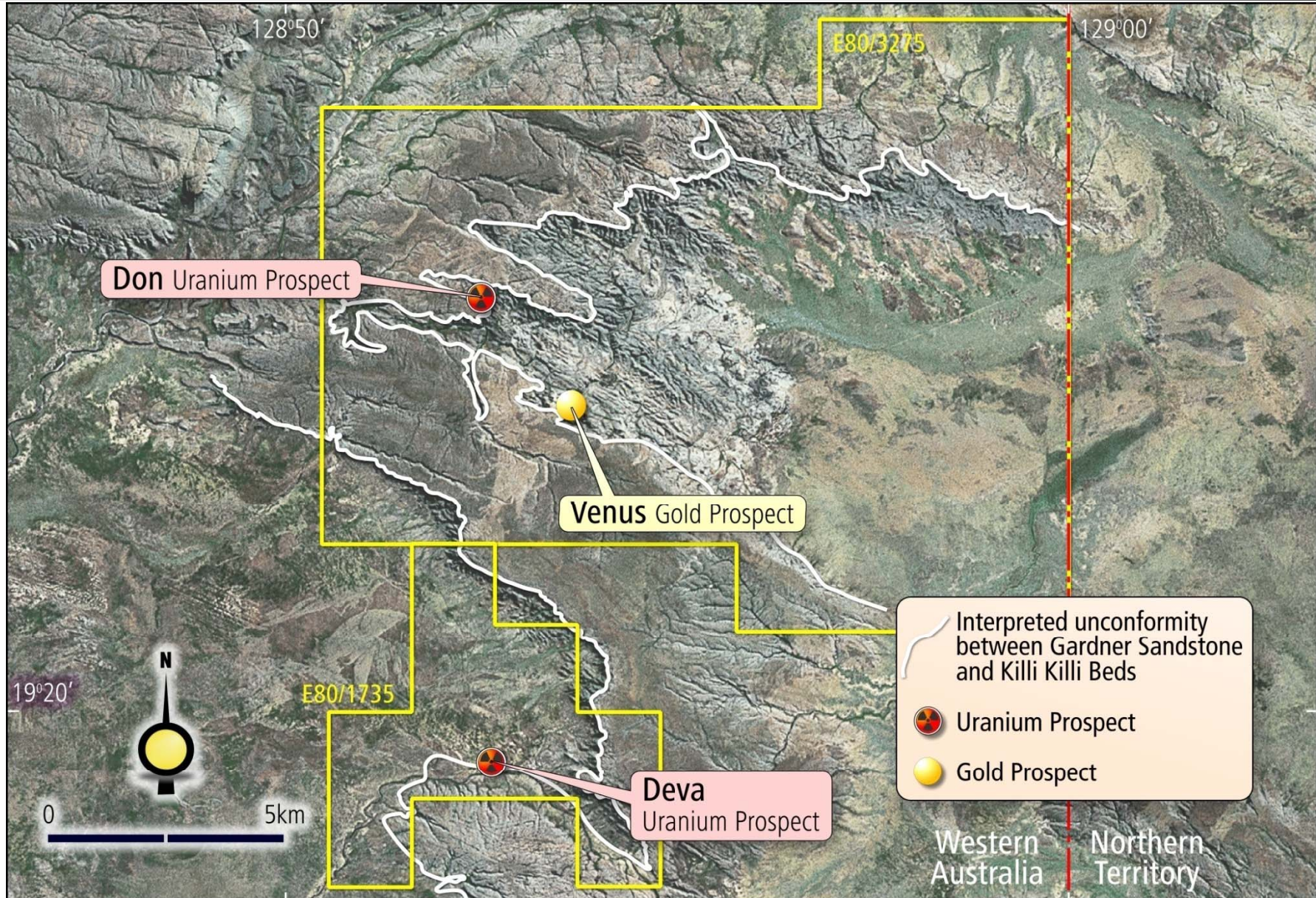




# Gardner Range Project, Western Australia

## Landsat map showing interpreted unconformity

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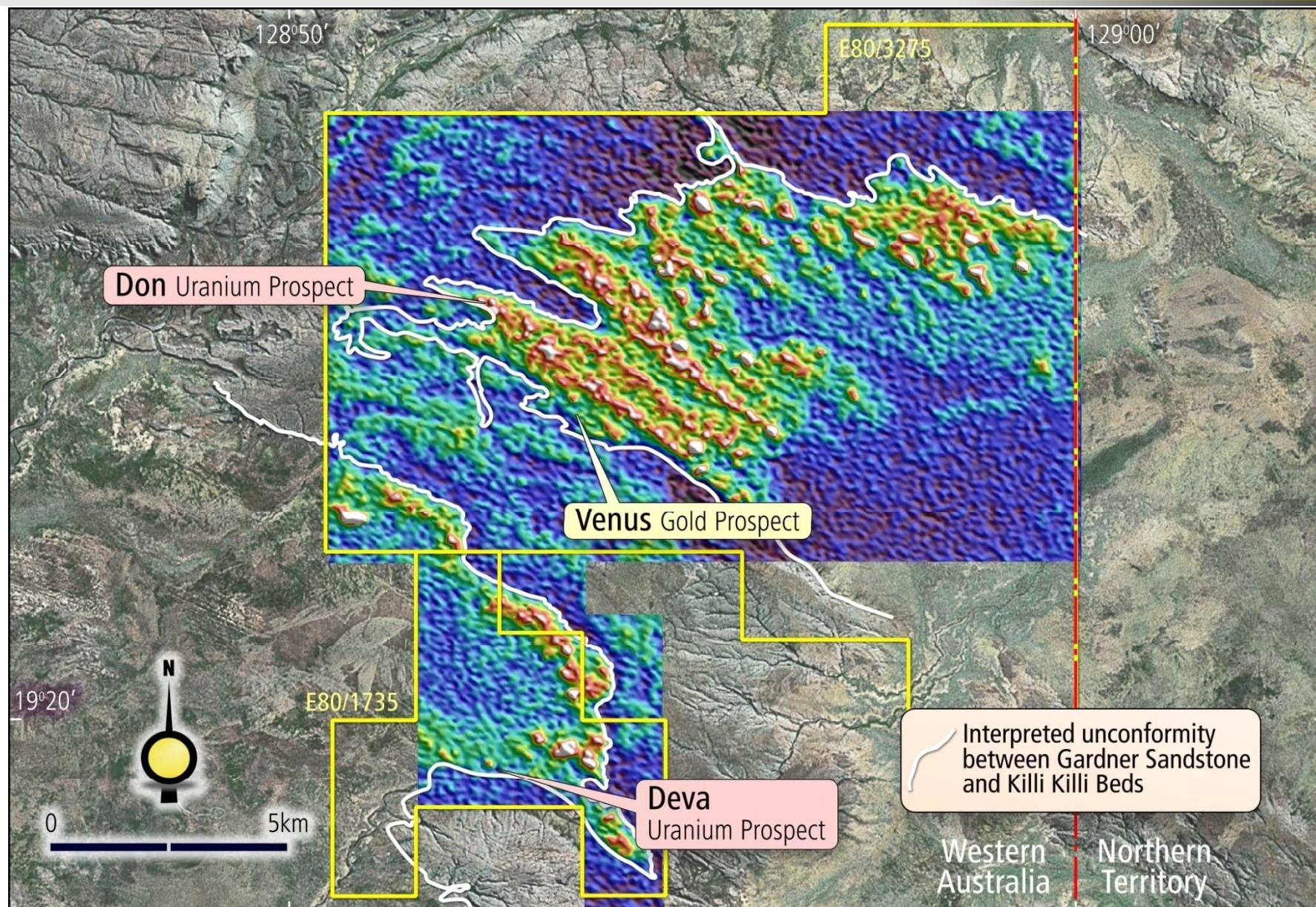




# Gardner Range Project, Western Australia

## Uranium Channel Radiometrics

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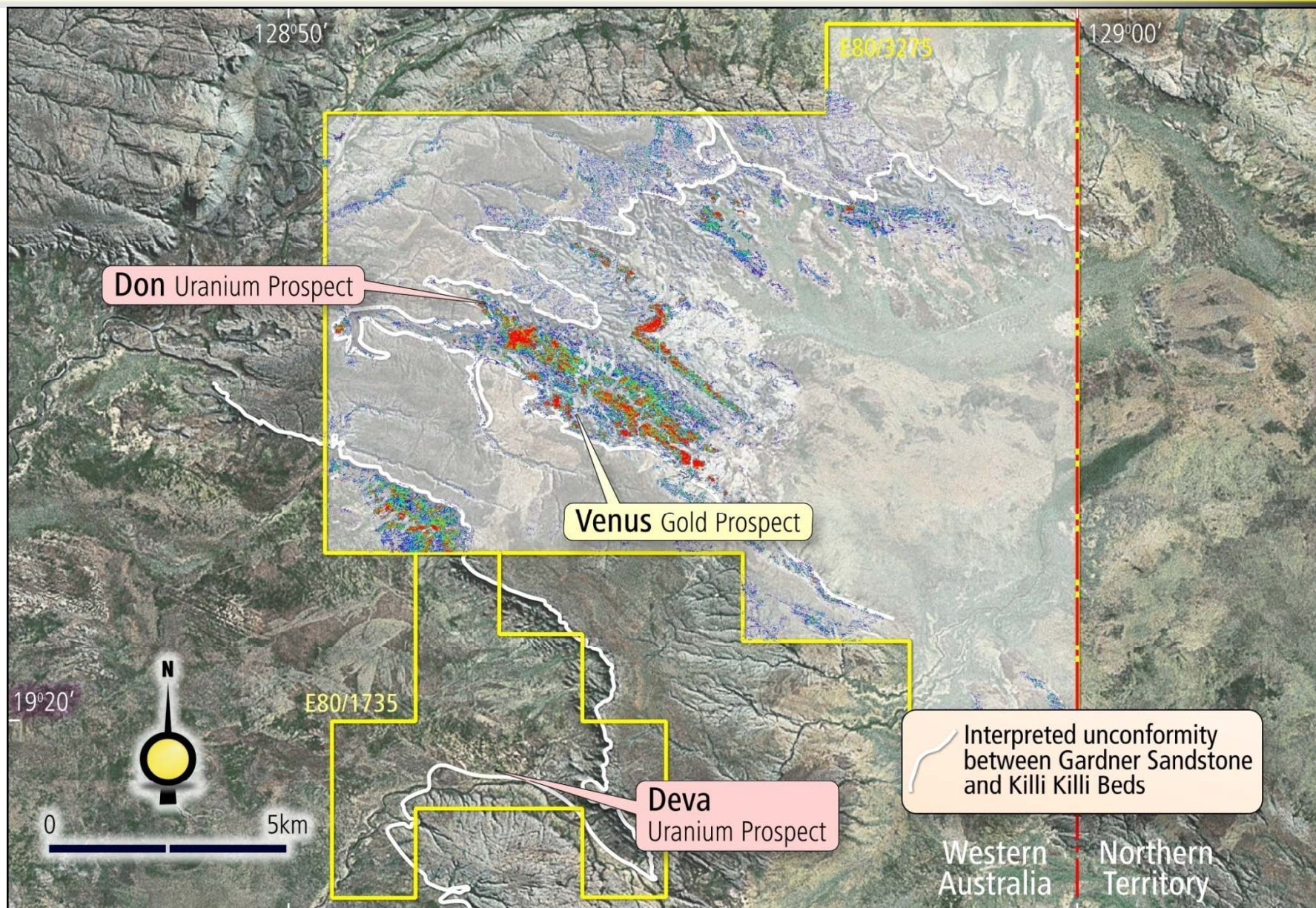




# Gardner Range Project, Western Australia

## Illite Clay Alteration Patterns (provided by Areva)

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# Gardner Range Project, Western Australia Environmental Survey at the Don Prospect

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# Siccus Project, Frome Basin, South Australia

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## Siccus Project - Drilling March 2008

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Intersected both the Namba Formation (Beverley host) and the Eyre Formation sands (host to the Four Mile, Honeymoon and Goulds Dam deposits)

Downhole gamma replicated historic radiometric anomalies



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**Coal in Madagascar**

A New Frontier



## Madagascar Coal Opportunity - Deal Summary

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- **Uranio issues 50m shares to acquire 100% of Coal of Madagascar Ltd (COM)**
  - ▶ COM (Guernsey) holds 99% of Coal Mining Madagascar (CMM) and US\$1.4m cash
  - ▶ CMM (Madagascar) owned 1% by local partner as per Madagascan law
  
- **CMM holds 11 concession blocks covering the majority (45km<sup>2</sup>) of the Imaloto coal deposit in the Sakoa Basin of Madagascar (estimated to contain up to 2Bt coal)**
  - ▶ CMM also holds 14 other blocks in the region (and in negotiations for others)
  - ▶ Total of 25 concession blocks of 2.5 x 2.5km = 156km<sup>2</sup>
  
- **Up to 60m further shares may be issued to the project vendors depending on the size of the economic coal resource discovered at Imaloto within 2 years**
  - ▶ Issued in tranches from 60Mt to 150Mt of economic resource
  - ▶ Coal of Africa providing drill rigs, exploration team in place – to commence early 2009
  
- **UNO raising an additional \$1.0m of capital at \$0.07 per share on the strength of this project and our current portfolio – supported by our major shareholder**

# Madagascar Location Map

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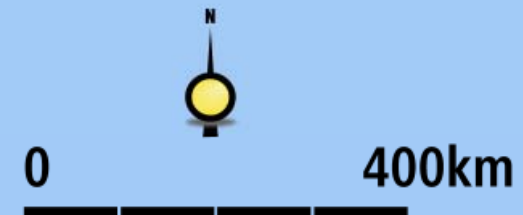


**MADAGASCAR**



**Antananarivo**

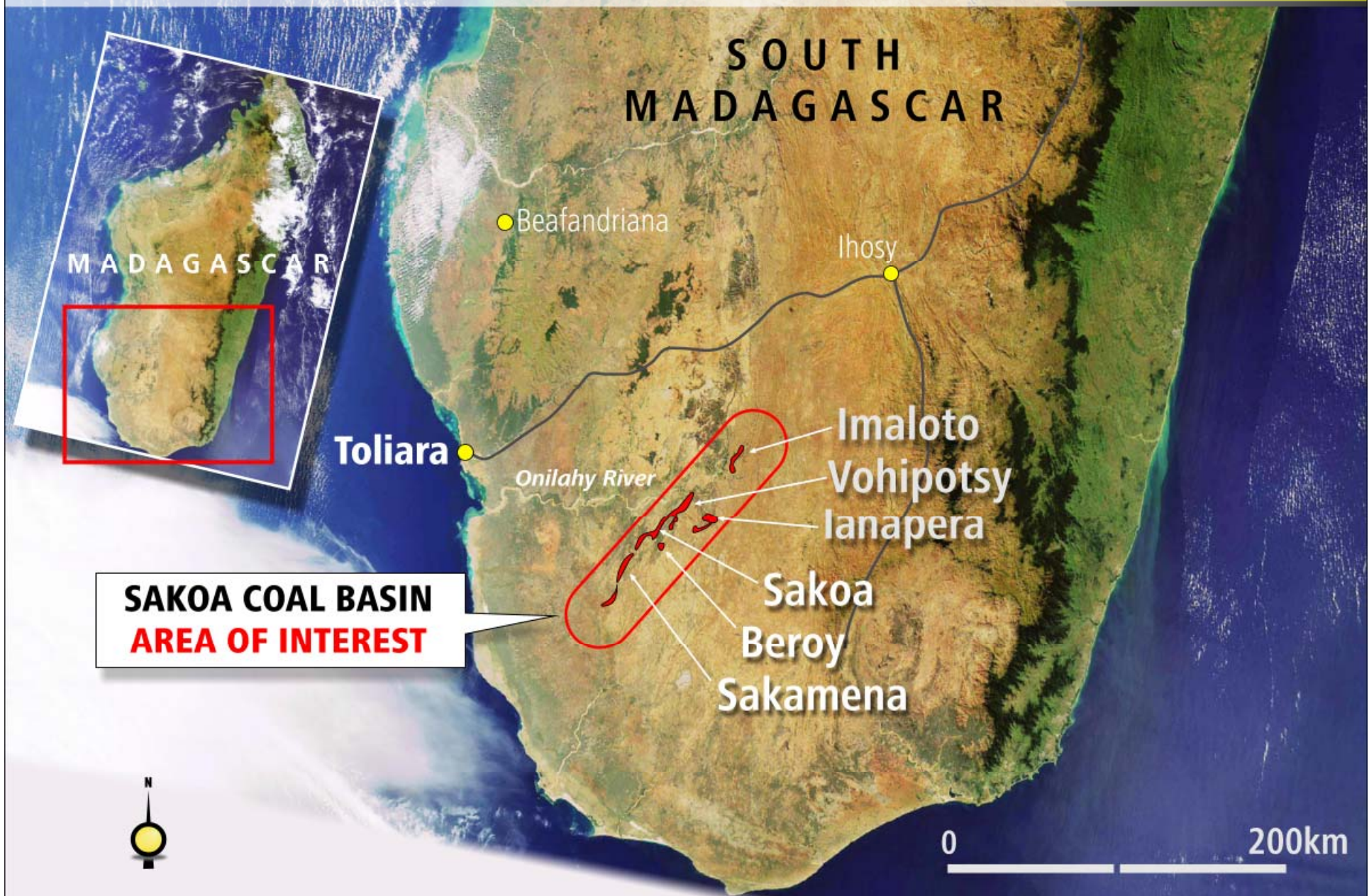
**SAKOA COAL BASIN  
AREA OF INTEREST**





# Sakoa Basin and Coalfields

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- **The main Sakoa field has an historic non-JORC resource of 50Mt**
  - ▶ But with 6-8m coal seams has the potential for much more (0.5 – 1.0Bt according to Straits announcement in Jan 2008)
  - ▶ Steeply dipping, requires underground mining
  
- **Jan 08: Straits Resources paid US\$45m for 33.5% of Red Island Minerals**
  - ▶ RIM hold most of the leases over the main Sakoa deposit
  - ▶ 100% equivalent price = US\$134m
  
- **June 08: Pan Africa Mining sell their Madagascan interests (primarily the other coal leases within Sakoa Basin) to Asia Thai Mining for US\$159m**
  
- **July 08: Straits to on-sell their Sakoa interest in RIM to Straits Asia Resources**
  - ▶ Independently valued at US\$92.1m (100% = US\$275m) as per IM
  - ▶ Transaction currently on hold

# Seams within the Sakoa Coal Field

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Seam	Thickness (m)	Raw Ash (%)	Volatiles (%)	Sulphur (%)
III	1.2 - 1.8	32%	24%	-
IV	3.5 - 7.0	17%	26%	0.6%
V	5.0 - 9.0	22%	31%	1.0%

Source: Red Island Minerals Presentation, Pan African Mining Presentation, Prof. Richard Viljoen Technical Report



# Quality of Sakoa Coal Measures

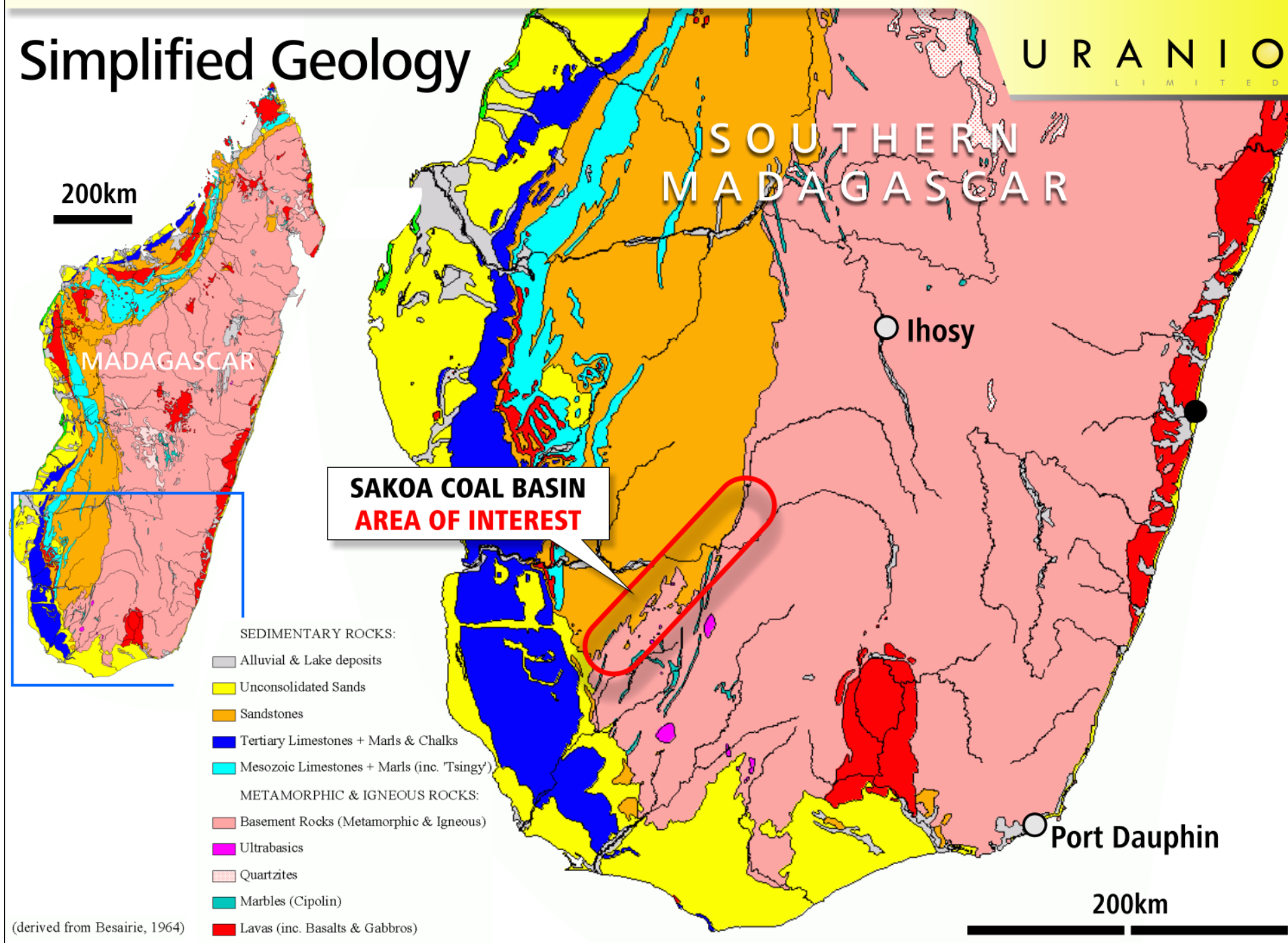
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Parameter	Amount	Comment
Moisture content	2-3%	Relatively consistent
Ash (raw values)	15-35%	Dry basis, typical of Gondwana coals
Volatile content	20-30%	Raw coal (dry basis)
Calorific values	from 5000 Kcal/Kg to 7000 Kcal/Kg	Higher ash coals (dry basis) Better quality, lower ash coals (dry basis)
Sulphur	±1%	
Coking	-	Coking properties generally poor
Washability	Yield of >70% for No.4 Seam	With an ash content of 13.5% and calorific value of >6,000 Kcal/Kg NAR

Source: BP Coal Report, Red Island Minerals Presentation, Pan African Mining Presentation, Prof. Richard Viljoen Technical Report

# Simplified Geology

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# Sakoa Coal Basin Coalfields Regional Setting

● Befandriana

● Ihosy

● Toliara

**Imaloto**





**Vohipotsy**





**Ianapera**

**Sakoa**

**Beroy**

**Sakamena**

-  Younger Sediments
-  Lower Karoo Sediments
-  Coal Measure Outcrops
-  Crystalline Basement

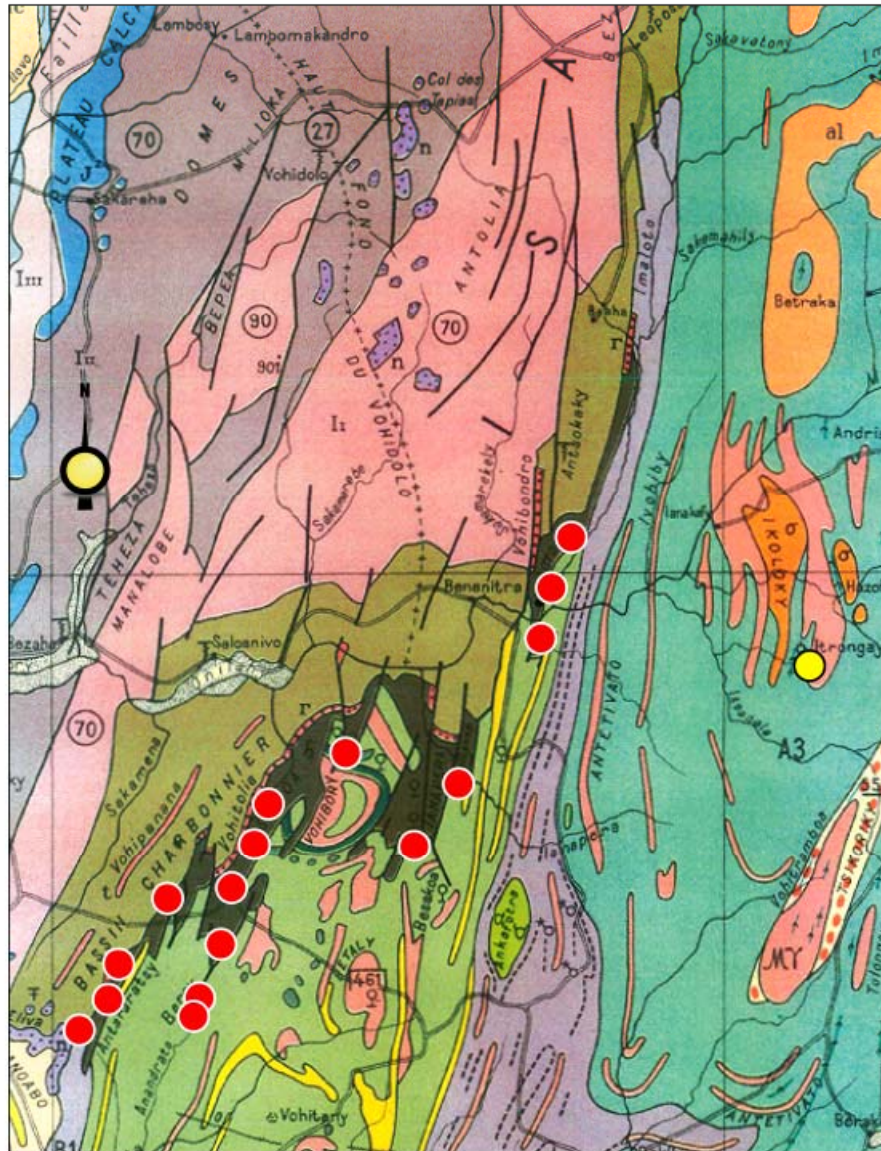
-  Fault
-  Road
-  River
-  Significant town/village



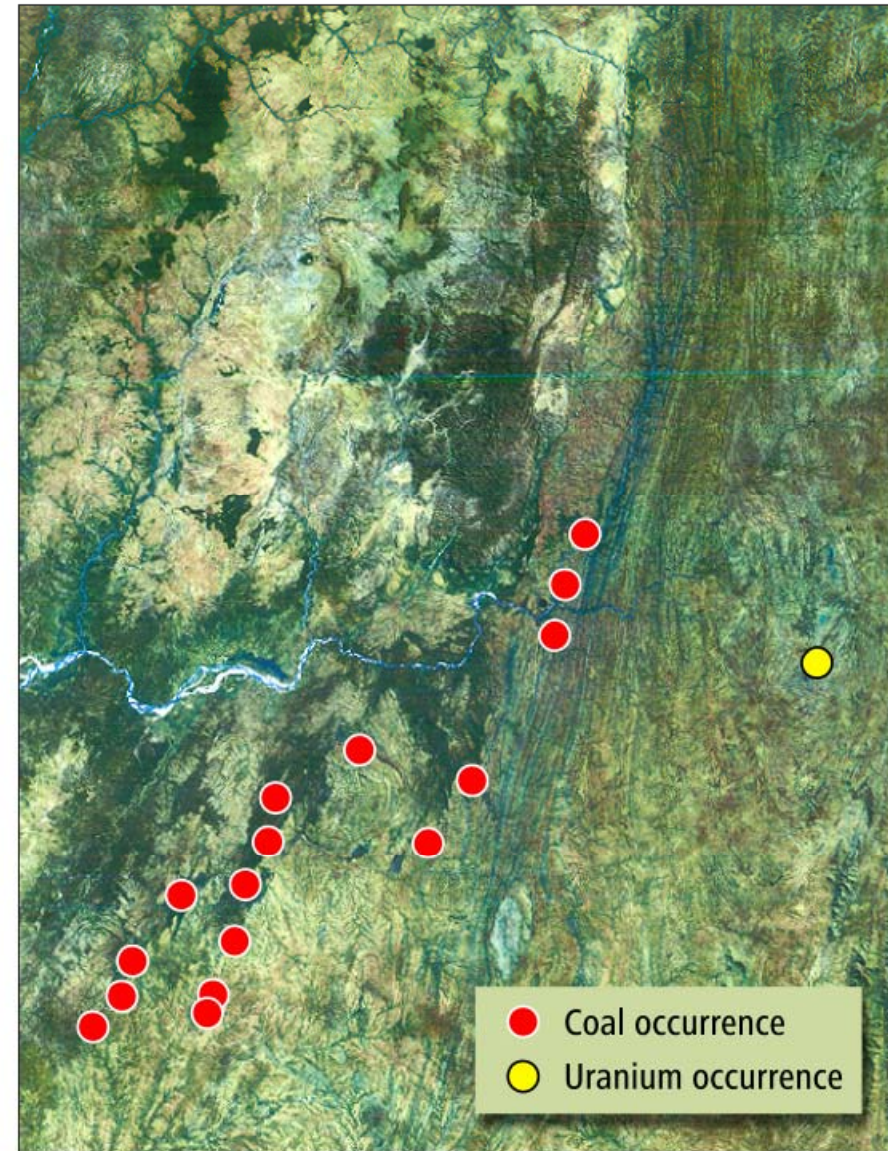
0 200km



## 0 40km



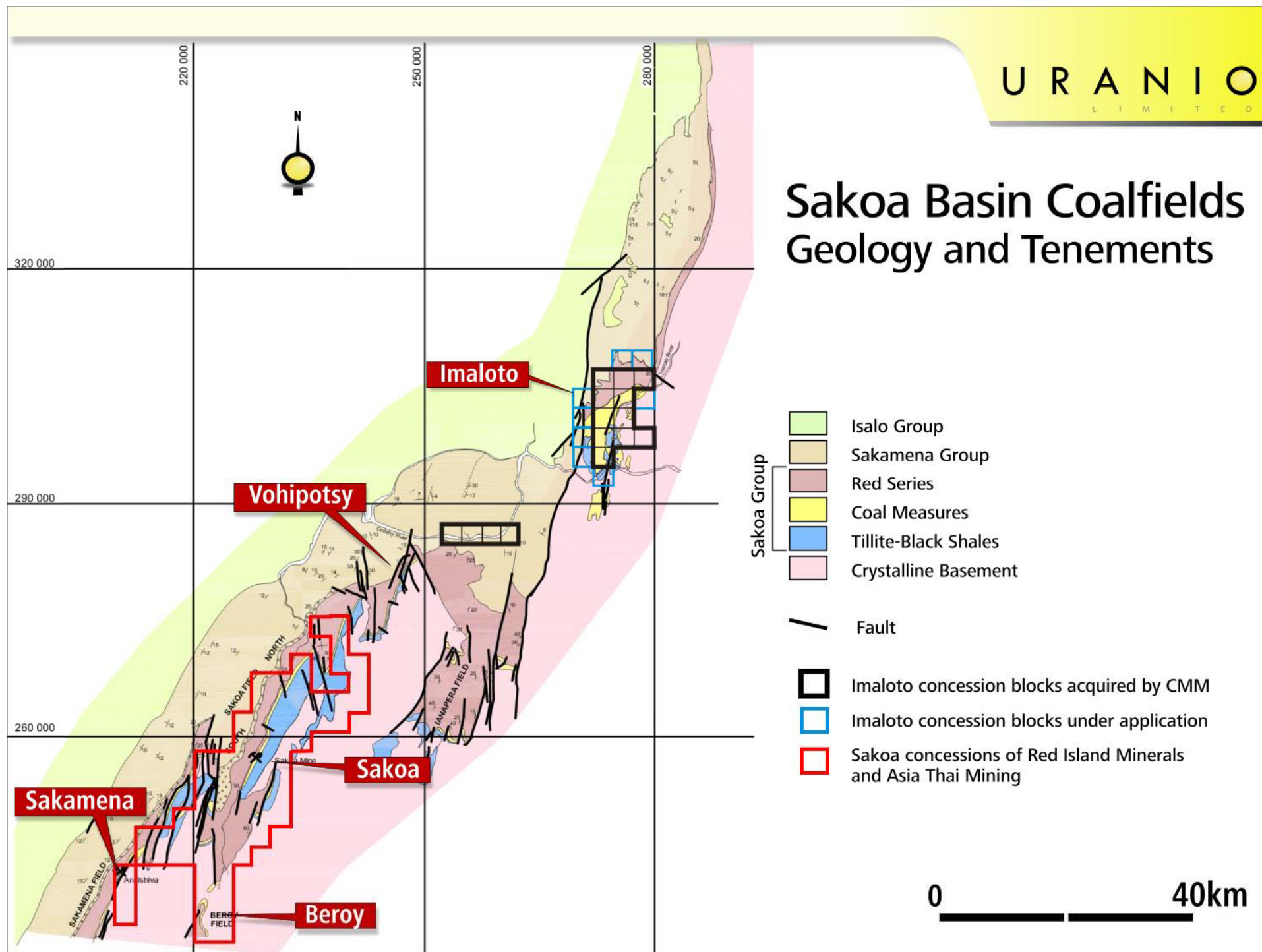
## 0 40km



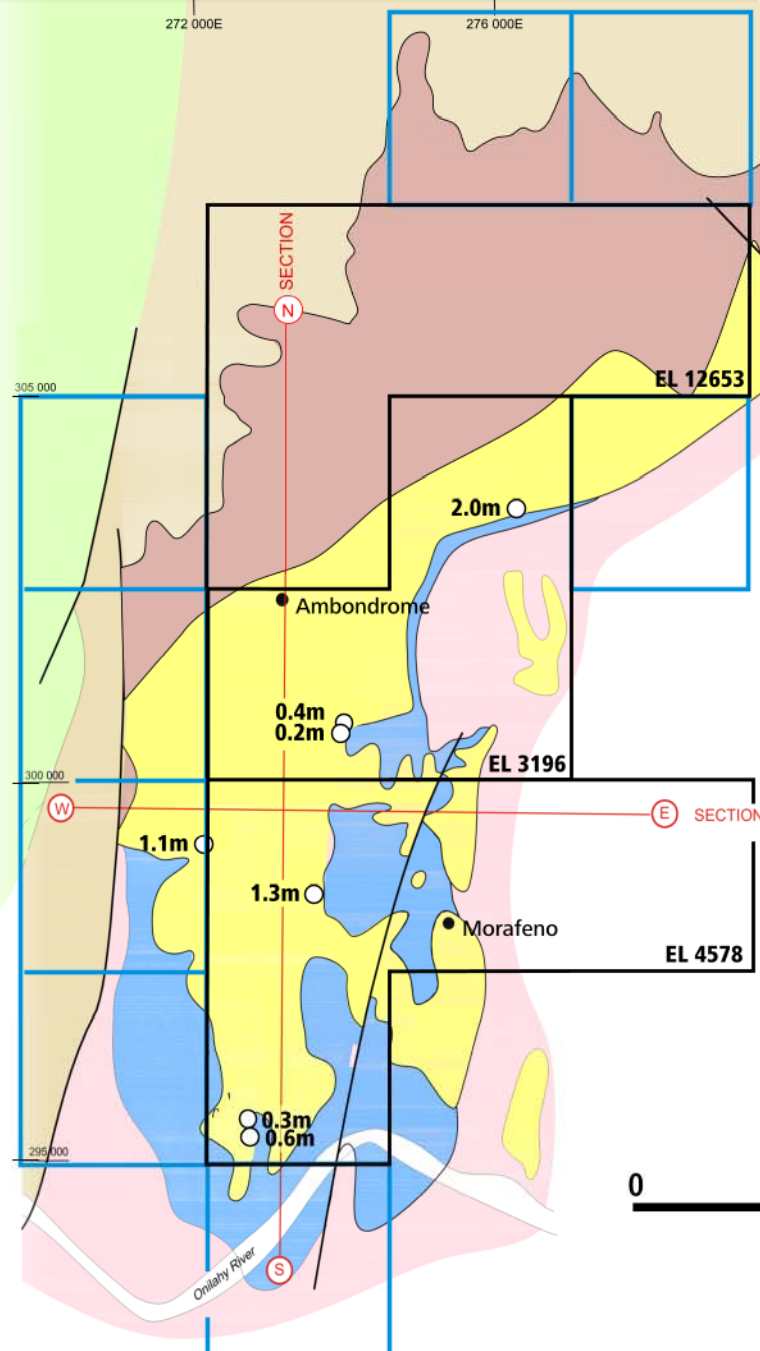
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# Sakoa Basin Coalfields Geology and Tenements



# Imaloto Coalfield Exploration and Tenements



- Sakoa Group**
- Isalo Group
  - Sakamena Group
  - Red Series
  - Coal Measures
  - Tillite-Black Shales
  - Crystalline Basement

- Fault
- Sampling position
- 0.6m Coal zone thickness
- Village

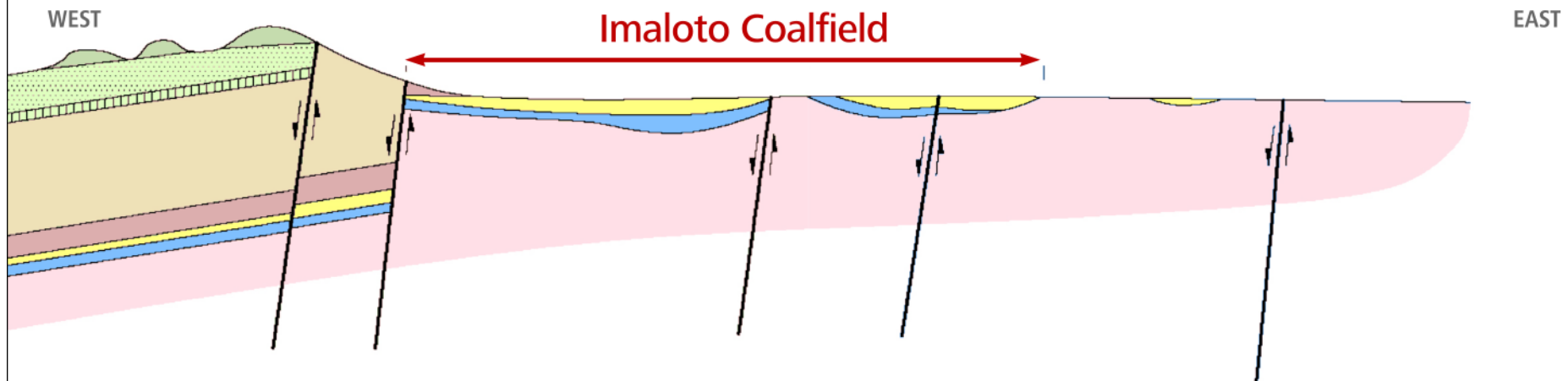
## TENEMENTS

- Concession blocks acquired by CMM
- Concession blocks under negotiation by CMM

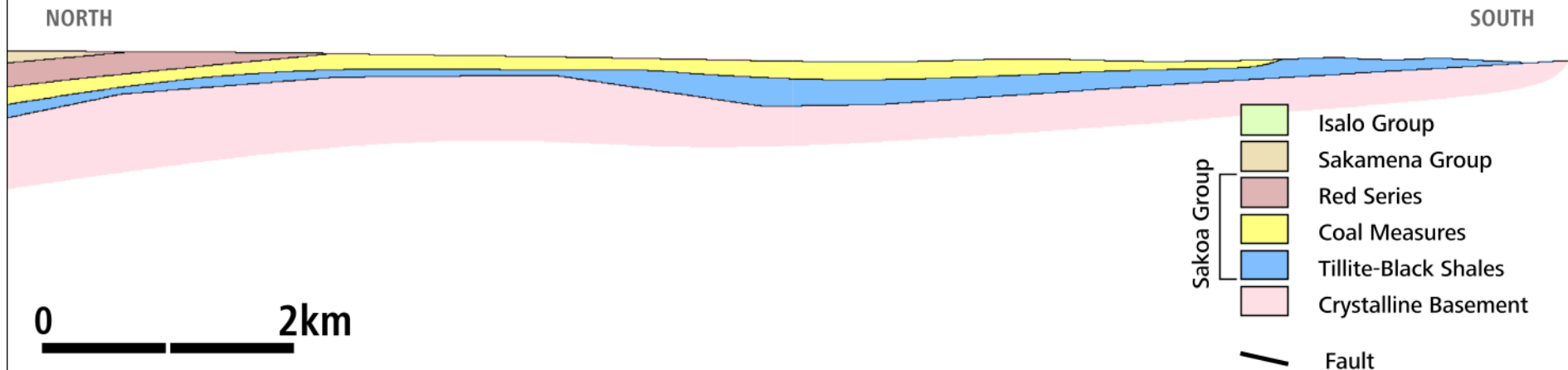
# Imaloto Coal Basin Structure

## Shallow and Gently Dipping

### WEST - EAST Cross Section



### NORTH - SOUTH Cross Section



### ■ Recent transactions

- ▶ Despite lack of infrastructure, good projects in Sakoa have been recently valued between US\$130m and US\$275m

### ■ Tonnes in the ground

- ▶ Imaloto ELs cover 45km<sup>2</sup> of the “Coal Measures” formation (rises to 72km<sup>2</sup> once additional blocks obtained)
- ▶ Standard in-situ valuation is 2.0 - 4.5% of the coal price (approx US\$80/t)
- ▶ Given immaturity of the project, lower value used (US\$1/t)
- ▶ Methodology suggests high valuations if economic (1-2m) seams found

### ■ Summary

- ▶ Companies have been willing to pay high values for ELs in the Sakoa Basin
- ▶ Ultimate value of Imaloto dependent on drill results
  - ▶ But the potential upside is Substantial

## Exploration program is funded and scoped

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- **COM holds US\$1.4m (A\$2.2m) in cash**
- **Full 6,000m diamond drill exploration program is in place (est. cost US\$1.2m)**
  - ▶ Staged reviews to avoid unnecessary expenditure if early results disappoint
  - ▶ Coal of Africa have provided initial funding, drill rigs and exploration team
  - ▶ Port space for equipment secured, access roads being cleared
- **Drilling to commence in early 2009**

### ■ Stable democracy since 1992

### ■ World Bank compliant Mining Code

- ▶ Exploration licences valid for 10 years, renewable for an additional 5 years
- ▶ Els automatically convert to Mining Licences if applied for
- ▶ MLs valid for 40 years
- ▶ Export royalties = 2%
- ▶ Import duties = 10% (but some exemptions allowed)

### ■ Labour Laws

- ▶ Social security includes pensions, accident pay and medical benefits
- ▶ Paid by a 9% withholding from company wages
- ▶ One month annual leave and 15 national holidays annually



# Antananarivo Madagascar





# Toliara Madagascar



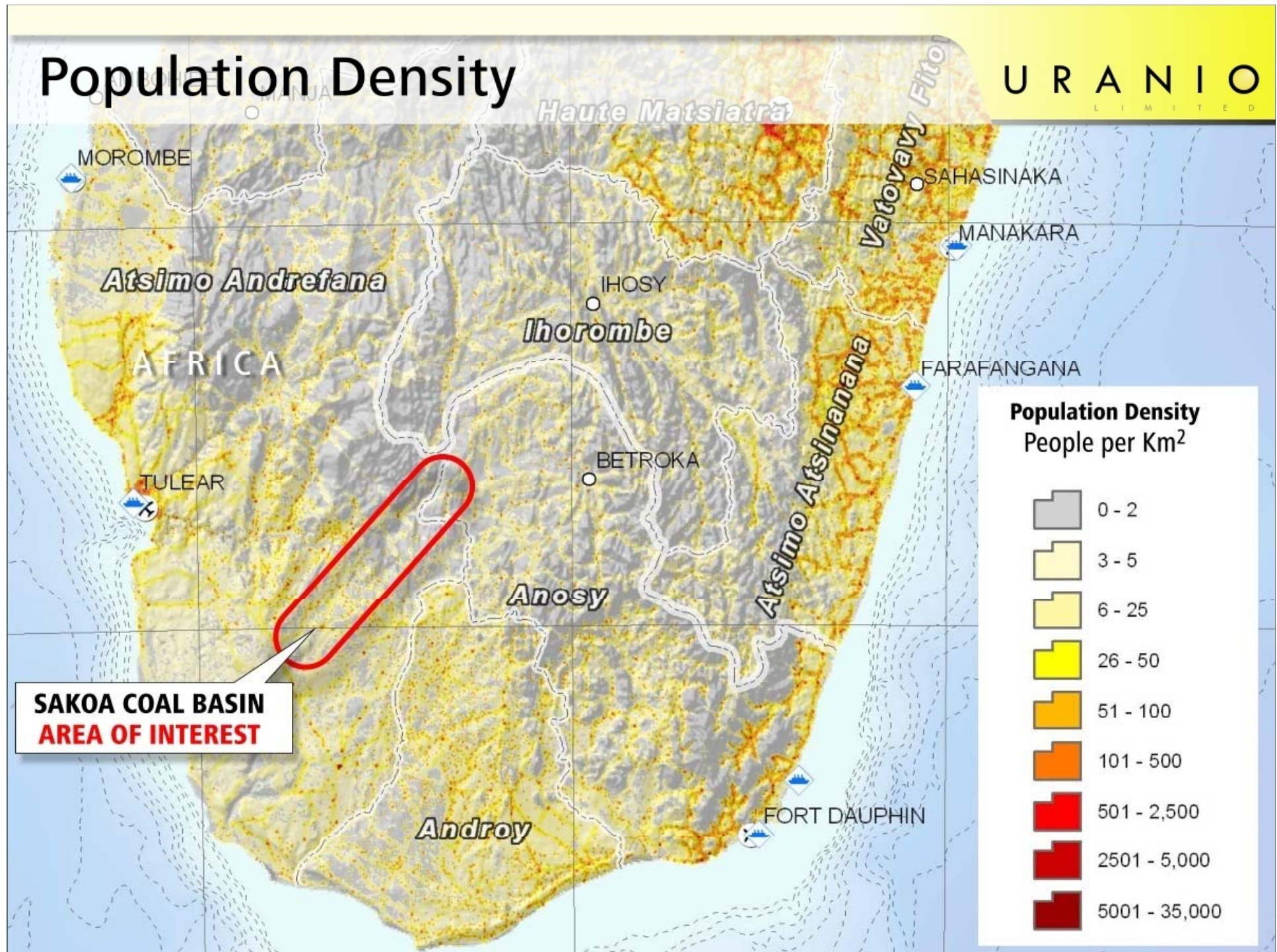
# Ihosa Madagascar





# Population Density

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## Tamatave Madagascar





# Port of Toamasina Madagascar



# Proposed New Capital Structure

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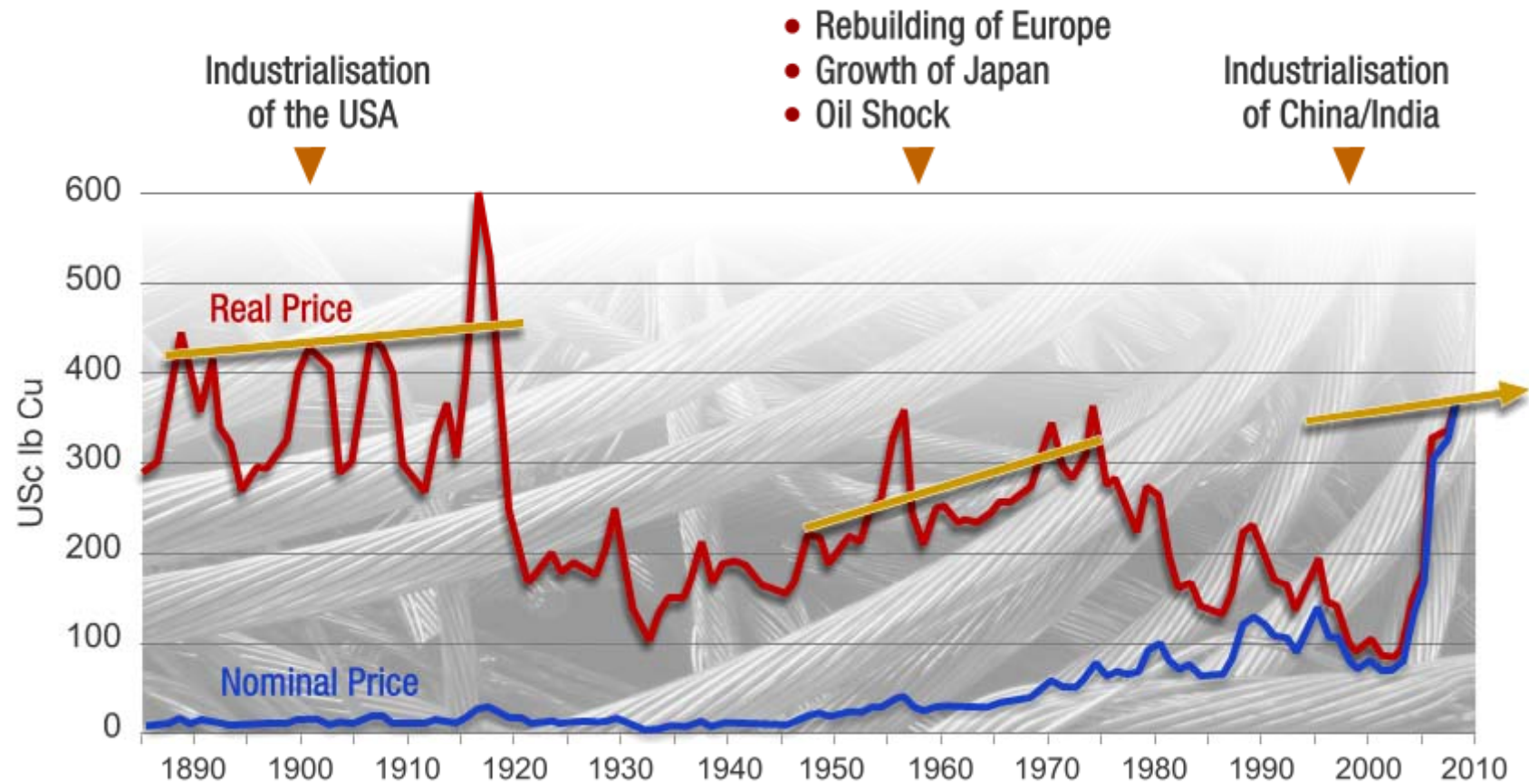
CURRENT TOP FIVE SHAREHOLDERS			POST TRANSACTION			POST TRANSACTION WITH CAPITAL RAISING (\$1m @ \$0.07)		
	Shares	%		Shares	%		Shares	%
Minvest Securities	6,500,000	16.5%	Coal of Africa Ltd	40,000,000	44.8%	Coal of Africa Ltd	40,000,000	38.7%
Deep Yellow Ltd	3,849,379	9.8%	Oak Nominees Ltd	10,000,000	11.2%	Manhattan Resources	14,069,800	13.6%
Grange Consulting	2,500,000	6.4%	Minvest Securities	6,500,000	7.3%	Oak Nominees Ltd	10,000,000	9.7%
Thomas Allright	2,000,000	5.1%	Deep Yellow Ltd	3,849,379	4.3%	Minvest Securities	6,500,000	6.3%
Custodial Services Ltd	1,800,000	4.6%	Grange Consulting	2,500,000	2.8%	Deep Yellow Ltd	3,849,379	3.7%
Others	22,630,000	57.6%	Others	26,430,000	29.6%	Others	28,930,000	28.0%
TOTAL	39,279,379	100.0%	TOTAL	89,279,379	100.0%	TOTAL	103,349,179	100.0%



- **Valuation is appropriate given risk vs valuation upside**
- **Strategy Fit**
  - ▶ UNO positioning itself as an energy minerals explorer
- **Access to a funding and a fully funded project in a difficult environment**
  - ▶ Exploration prep underway with equipment and experienced personnel
  - ▶ Massive upside potential
  - ▶ Thermal coal price remains high vs historical averages
- **Madagascar (Sakoa) becoming a high-profile region for coal development**
- **Strengthening shareholder base and access to further opportunities via Coal of Africa and the other project vendors**
- **Diversification of commodity risk**

## Commodity cycles - Copper since 1885

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**Conditions will improve: Price spikes and troughs always occur due to short term issues, but a true super-cycle is underpinned by demand**



- UNO positioning itself as an energy minerals exploration company
- Managing a small number of highly prospective early stage projects
- Constant focus on upgrading the project portfolio
  - ▶ Acquiring quality assets as they come available and managing them effectively to enhance value quickly and efficiently
  - ▶ Divesting some assets if appropriate to maximise shareholder value
- Post-transaction: a stronger, more diversified UNO

## Competent Person Sign-off

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*The information in this report that relates to **Uranium** Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Robinson, who is a Fellow of The Australasian Institute of Mining and Metallurgy, a Member of the Mining Industry Consultants Association and a Chartered Professional Geologist.*

*Mr Peter Robinson is employed by Peter F Robinson & Associates Pty Ltd.*

*Mr Peter Robinson 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 Peter Robinson consents to the inclusion in this 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 **Coal** Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Professor Richard Viljoen, who is a Member of the South African Council of Natural Science Professions (SACNASP) 400036/98*

*Professor Viljoen is an independent geological and technical consultant with 36 years experience in the Southern African region.*

*Professor Viljoen 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'. Professor Viljoen consents to the inclusion of the information in this report of the matters based on his information in the form and context in which it appears.*

For further information please contact:

### **Uranio Limited**

Tel: +61 9486 8788

Fax: +61 9322 1961

Email: [admin@uranio.com.au](mailto:admin@uranio.com.au)

Web: [www.uranio.com.au](http://www.uranio.com.au)



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