

GOLD EXPLORATION JOINT VENTURE - GUYANA

Highlights

- **Binding heads of agreement executed for gold exploration joint venture in Guyana**
- **Mineral concessions located within well known Guiana Shield**
- **Advanced exploration targets**

Diversified explorer Uramet Minerals Limited (ASX: **URM** "Uramet") is pleased to announce that it has executed a binding heads of agreement with Sheik R Minerals Inc (SRM), a Guyanese registered company, to enter into a joint venture to explore for gold in Guyana. The agreement is subject to the satisfactory conclusion of due diligence by Uramet.

SRM has mineral rights over a suite of contiguous mineral concessions covering an area of approximately 41km² centred over the Ianna/Yakishuru gold mining district located within the well known Guiana shield. Small scale near surface gold mining has, until recently, been undertaken by SRM within these concessions.

There has been minimal modern systematic exploration within the concessions. However, sampling of several shallow mine faces and trenches indicate immediate drill targets may exist. The objective of the joint venture is to drill these targets as soon as practical following execution of the joint venture agreement.

The key terms of the exploration joint venture are:

1. Uramet to spend US\$1M over 2 years to earn a 50% interest.
2. A 2 year call option granted to Uramet to acquire an additional 25% interest for US\$2.5M.
3. US\$350,000 minimum expenditure by Uramet in first year.
4. 6 months after the commencement date Uramet must elect to continue with or withdraw from the joint venture. An election to continue will require the issue of 1M options to SRM to subscribe for 1M ordinary Uramet shares at A\$0.15 each.
5. Uramet will be appointed operator of the joint venture.

Uramet's cash balance is currently A\$2.3M which is sufficient to meet the expenditure commitments of the joint venture and other working capital requirements for the short term. Accordingly, there are no plans for Uramet to undertake a capital raising in the immediate future.

Uramet executive chairman, Sam Randazzo said, "This is an exciting opportunity which allows Uramet to leapfrog straight into an advanced gold exploration project. SRM has established infrastructure and heavy machinery on site, so if we confirm ready targets during due diligence, drilling will commence very soon after signing the joint venture agreement."

He also said, "The deal structure allows Uramet to sensibly manage its financial exposure to the joint venture. If positive drill results are not achieved within the initial 6 months Uramet can withdraw from the joint venture. The minimum cash exposure is US\$350,000 and the maximum is up to Uramet management".

Technical and legal due diligence will be carried out by Uramet during January and February 2010 with a 28 February 2010 schedule commencement date for the joint venture. Uramet cautions investors that due diligence is yet to be undertaken and the joint venture will only proceed if the due diligence examination satisfies the Company's criteria.

Competent Persons Statement

This report is based on geological information compiled by and reported upon by Paul Penna a full time employee of Uramet Minerals Limited, a Member of the Australian Institute of Geoscientists with more than 5 years experience in the fields of activity reported. Mr Penna has read and has given his prior written consent to the release of this report in this form.

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