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## QUARTERLY REPORT TO SHAREHOLDERS

30 June 2010

### HIGHLIGHTS

- ◆ Exploration activities underway at Ianna Gold Project in Guyana
- ◆ Soil sampling program at Stone Hill 1 prospect completed
- ◆ Drilling program scheduled for September 2010

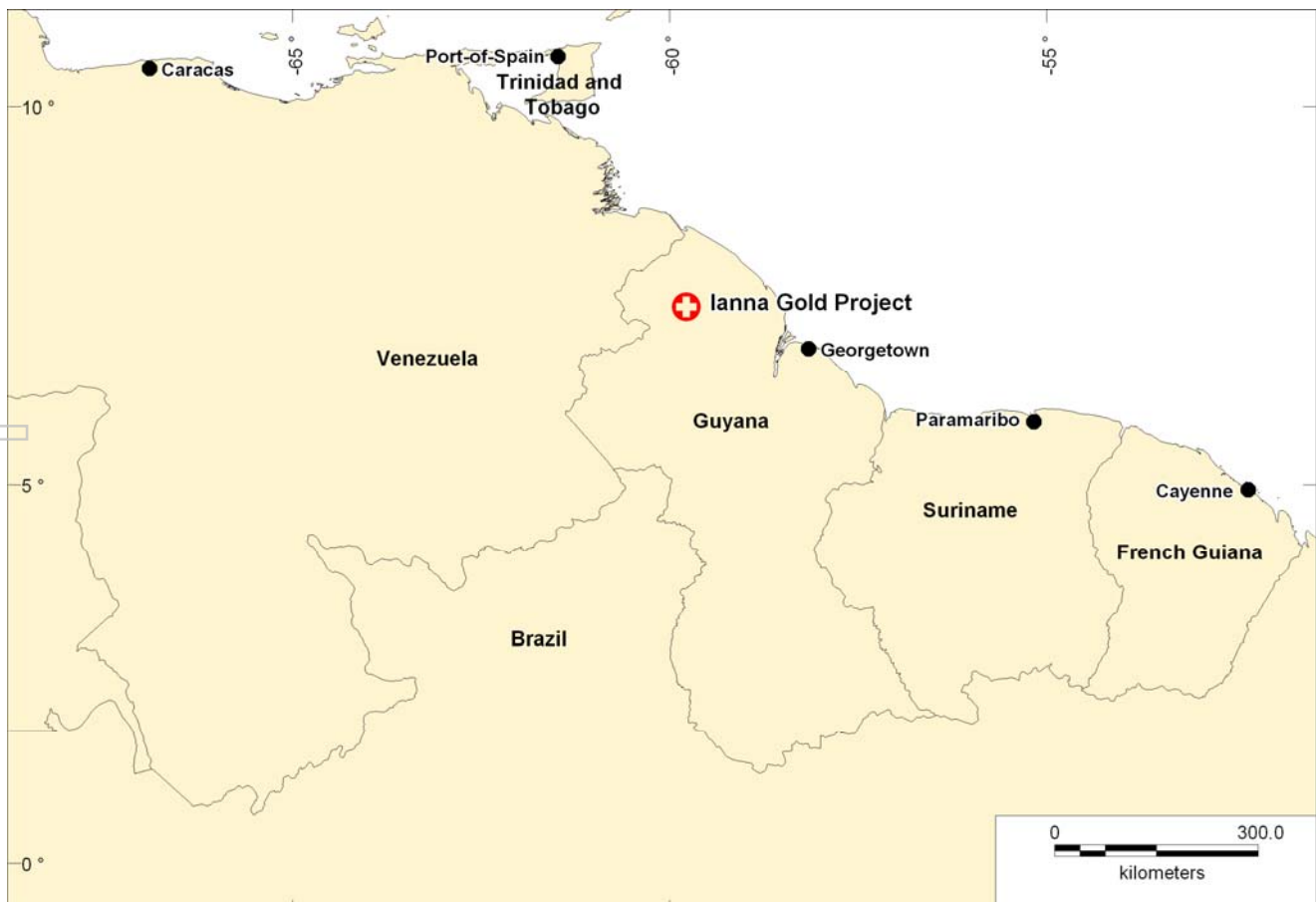


Figure 1: Ianna project location

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## **1 GENERAL**

The Company executed a joint venture agreement with Sheik R Minerals Inc (SRM) on 13 April 2010 (the Joint Venture) to pursue the Ianna Gold Project in Guyana, South America. Uramet's initial interest in the Project is 50% however a call option expiring on 30 April 2012 allows the Company to increase its interest to 75%.

The immediate plan is to complete a 2,000 metre reverse circulation (RC) drilling program to confirm the potential for a large tonnage gold resource. If the initial drilling program confirms this potential, drilling will be extended to delineate resources.

A suitable drill rig has been sourced in Peru however its arrival into Guyana has unfortunately been delayed. Due to this unforeseeable delay it now appears the initial drilling program is unlikely to commence before mid to late September 2010. Uramet will however continue discussions with alternative drilling contractors with the objective of completing the initial drilling program sooner.

Since commencement of the Joint Venture in April 2010, Uramet has recruited on-site exploration staff, contracted in-country Guyana administrative support services and initiated the exploration program.

In Australia, exploration work on Uramet's Northern Territory projects has been scaled back to prioritise progress on the Ianna Gold Project.

On 31 May 2010 a notice was sent to all shareholders holding unmarketable parcels advising that their shares in Uramet will be sold unless a written election was received by 13 July 2010 advising the Company to retain their shareholding. Subject to the Company's share price on any particular day there are approximately 2m shares to sell under this arrangement.

## **2 PROJECT AREAS – IANNA GOLD PROJECT, GUYANA (URAMET 50% WITH OPTION TO INCREASE TO 75%)**

Uramet's initial 50% interest in the Ianna Gold Project is held through the Ianna Exploration Joint Venture. Uramet is the Joint Venture manager, and has an option to increase its interest to 75% by payment of US\$ 2.5 million prior to 30 April 2012.

Activities undertaken within the Ianna Gold Project during the June 2010 Quarter include the completion of a soil sampling program at Stone Hill 1 Prospect, the commencement of access and drill site preparation at Kings Ransom and Chow Wow Prospects, upgrade of the exploration camp facilities and servicing heavy equipment to ensure all is ready for the proposed drilling program.

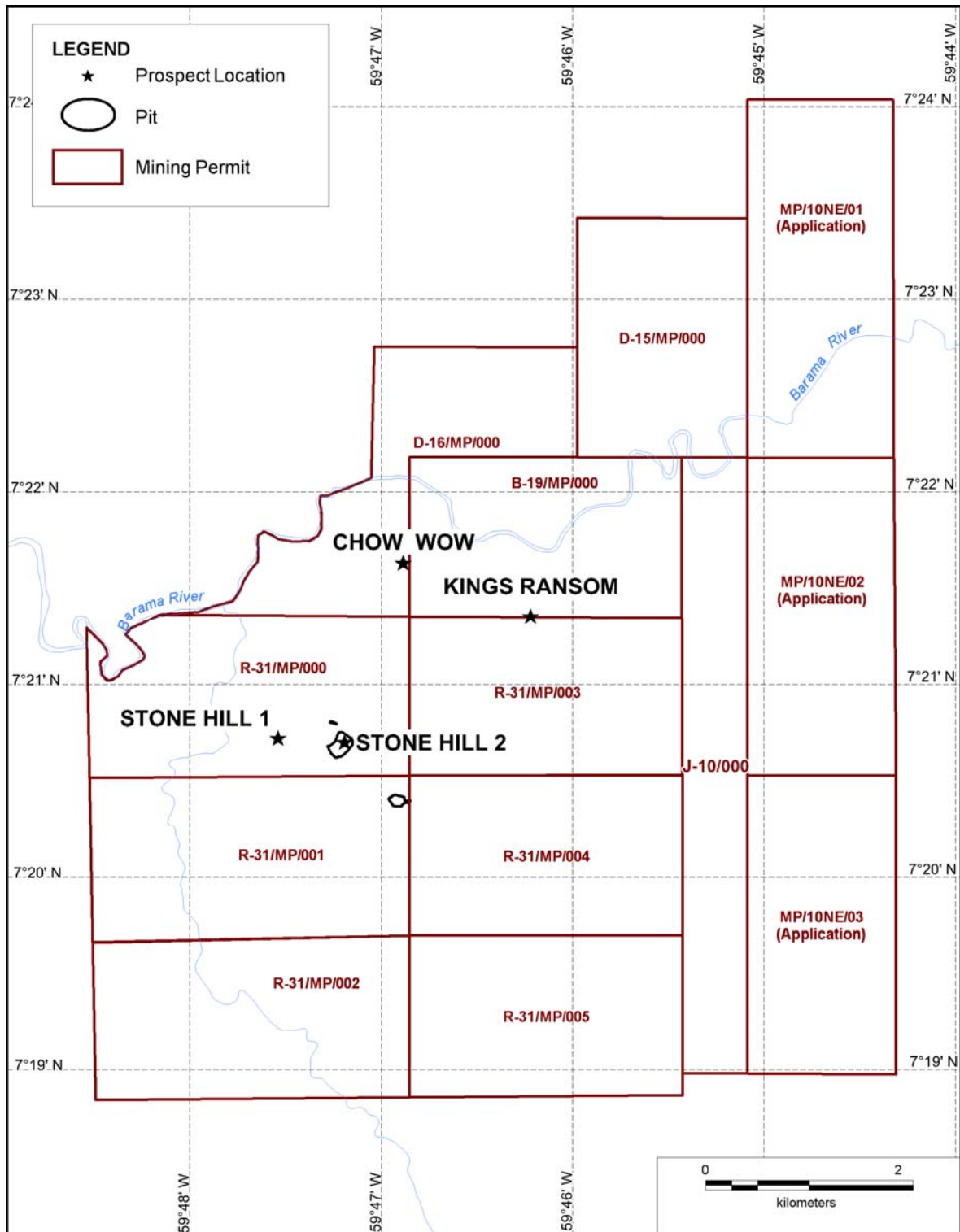


Figure 2: Ianna Gold Project – Mining permits and location of prospects

Uramet’s initial exploration program will focus on the following four prospects located within the permit areas:

- Kings Ransom
- Chow Wow
- Stone Hill 1
- Stone Hill 2

## Kings Ransom

The Kings Ransom Prospect was originally worked by artisan miners, with a shaft located in the eastern part of the prospect. Uramet's joint venture partner, SRM, undertook a trenching program in 2009, entailing eight trenches for 627m.

Significant assay results of these samples are presented in Figure 3 and Table 1.

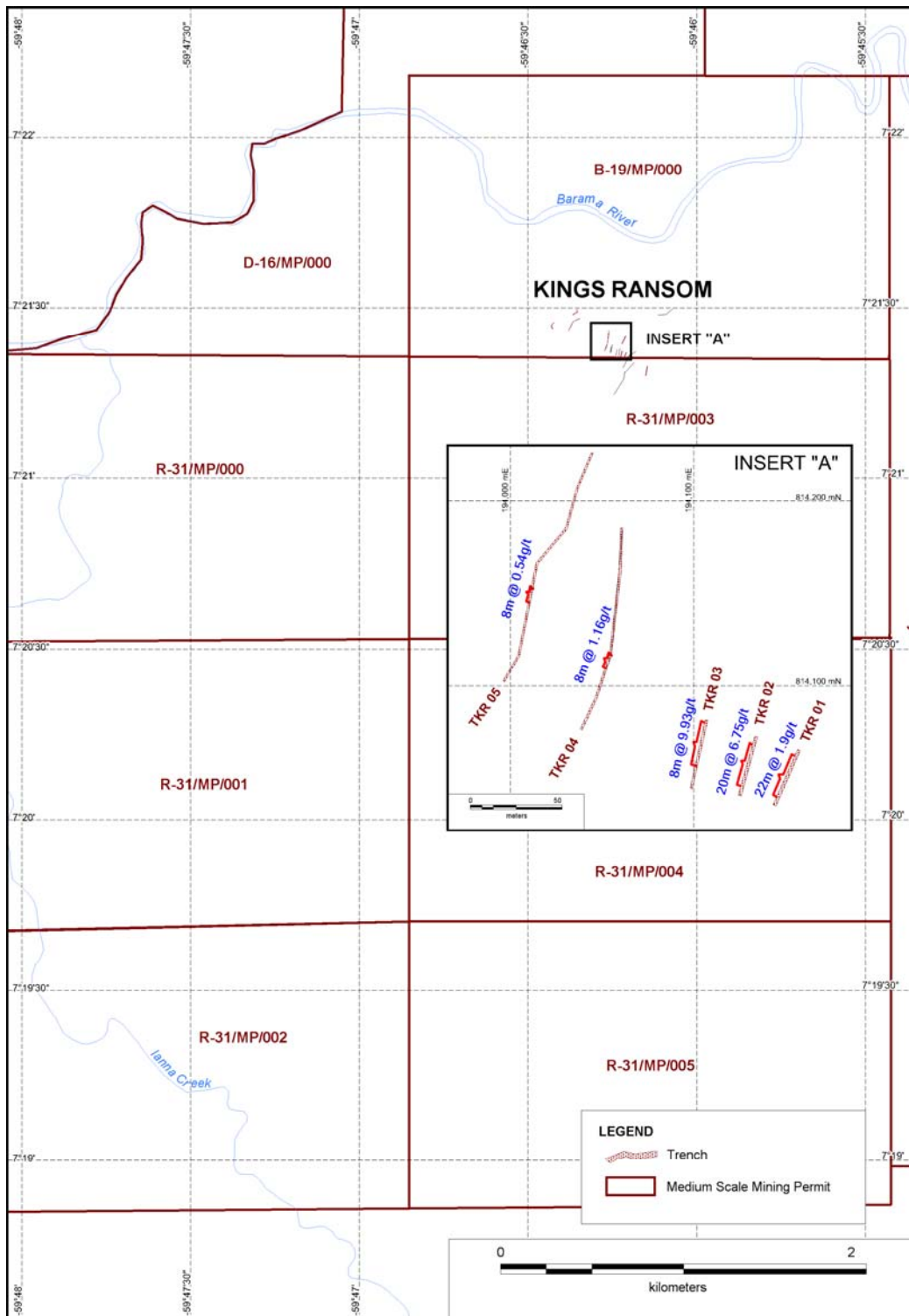


Figure 3: Map showing significant trench results at Kings Ransom

**TABLE 1: SRM TRENCH RESULTS – KINGS RANSOM PROSPECT**

Hole ID	Intercept metres	g/t Au
TKR01	22	1.90
TKR02	20	6.75
TKR03	21	9.93
TKR04	8	1.16
TKR05	8	0.54

The widths and grades of the SRM trenching results at the Kings Ransom prospect provide an excellent drill target. Access and drill site preparation has commenced, with RC drilling now planned for mid to late September 2010. The drill program at Kings Ransom will aim to confirm depth extensions and strike continuity of the broad zones of gold mineralisation encountered in the SRM trenching.



**Figure 4:** Kings Ransom Prospect –Trench # 9 - fine quartz veining

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## Chow Wow

The prospect was first mined by artisan miners in the 1940's from a shaft reaching 20 – 25m in depth. SRM mined the prospect by open pit between 2006 and 2008. The current pit extents are approximately 70m in length and 40m in width, and 20 metres deep.

Mapping of the pit and surrounding area was undertaken during the June quarter to better define proposed drill hole locations. Mineralisation is associated with a stockwork of quartz veins and stringers, and presents an immediate drill target, with drilling planned for September 2010.



Figure 5: Quartz veins on the northern wall of the Chow Wow Pit

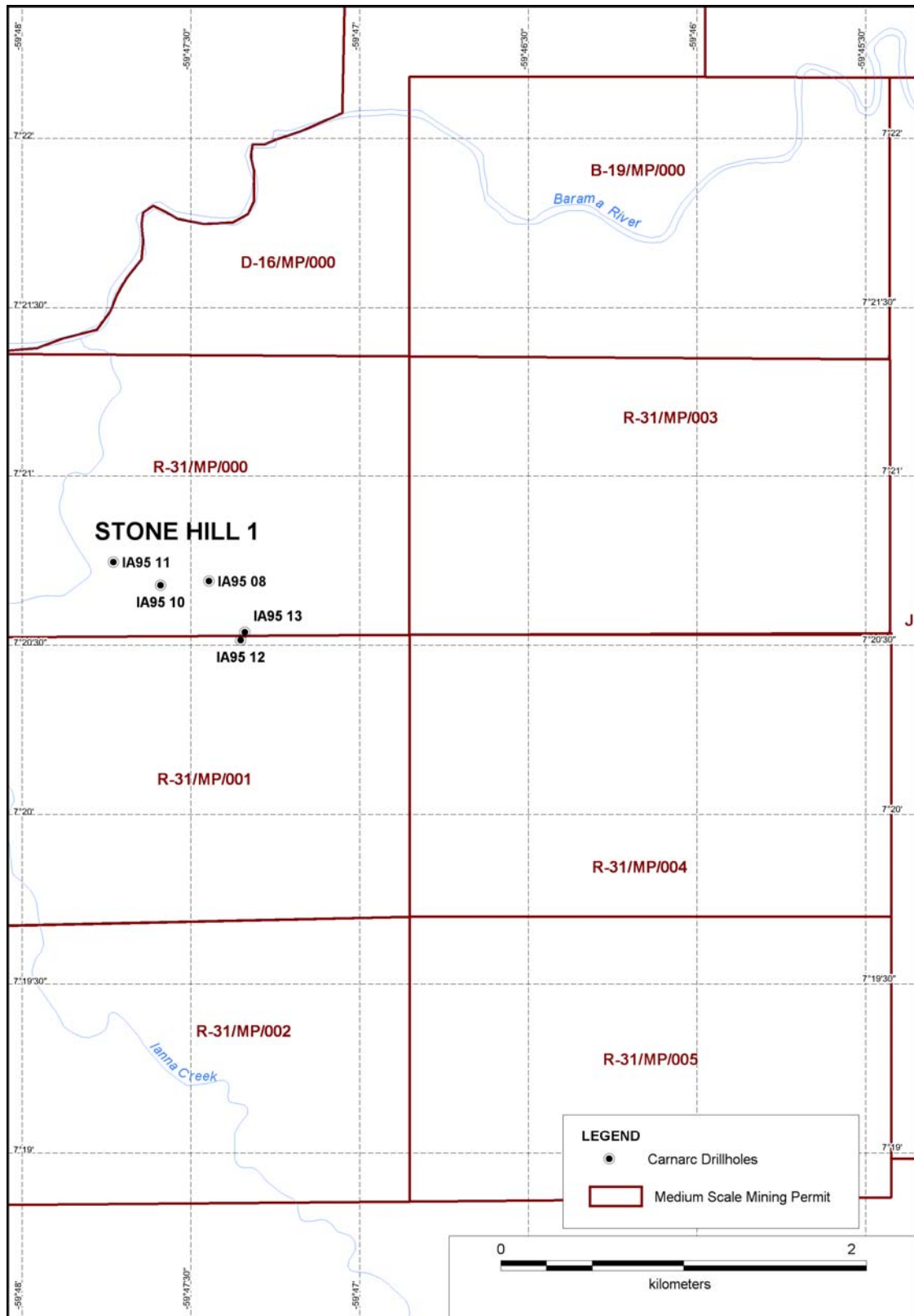
## Stone Hill 1

At the Stone Hill 1 Prospect exploration work was carried out by Canarc Resources between 1994 and 1995. This program comprised soil sampling and diamond core drilling. Significant drilling results reported in Canarc's press release of 8 September 1995 are presented below.

**TABLE 2: SIGNIFICANT INTERCEPTS AS REPORTED BY CANARC**

Hole	From	To	Intercept	g/t Au
IA95-08	15	39	24	1.25
IA95-10	60	63	3	2.86
IA95-11	0	119	119	0.62
incl	11	28	17	1.03
and	64	73	9	1.65
IA95-12	124	127	3	2.95
IA95-13	35	93	58	0.82
incl	35	50	15	1.84

(Note: the above results have not been verified by Uramet)



**Figure 6:** Location of Canarc diamond drill holes at the Stone Hill prospect.

*Note: Hole locations were sourced from a plan included in a progress report dated June 1995 by Roraima Gold Corporation (Canarc's JV partner at the time)*

Other auriferous zones have been delineated at Stone Hill 1 with trenching and exploration pits by SRM and shallow workings by artisan miners.

The exact locations of the drill holes and soil sampling by Canarc have not been located on the ground due to regrowth of vegetation. A soil sampling program covering the soil anomalies obtained by Canarc has been completed. A total of 619 samples were collected and dispatched to a laboratory in Georgetown for sample preparation. Pulps were sent to a Laboratory in Vancouver for analysis.

A trenching program targeting the best soil anomalies will be undertaken in August 2010 to expose gold mineralised structures. The results from this trenching program will define proposed drill hole locations to be tested by RC drilling planned for September 2010.



Figure 7: Uramet exploration manager, Paul Penna (left) and project geologist, Johnson Poshiwa, on site at Ianna Gold Project

## Stone Hill 2

This Prospect was originally worked in the 1960's – 1970's by artisan miners who worked the main vein in two pits. SRM excavated the workings in 2006 to the current pit limits of 230m long (NE-SW) by 150m wide, and was the main gold producer for SRM. The potential strike and depth extensions to this pit present an excellent drill target.



### 3 PROJECT AREAS – AUSTRALIA

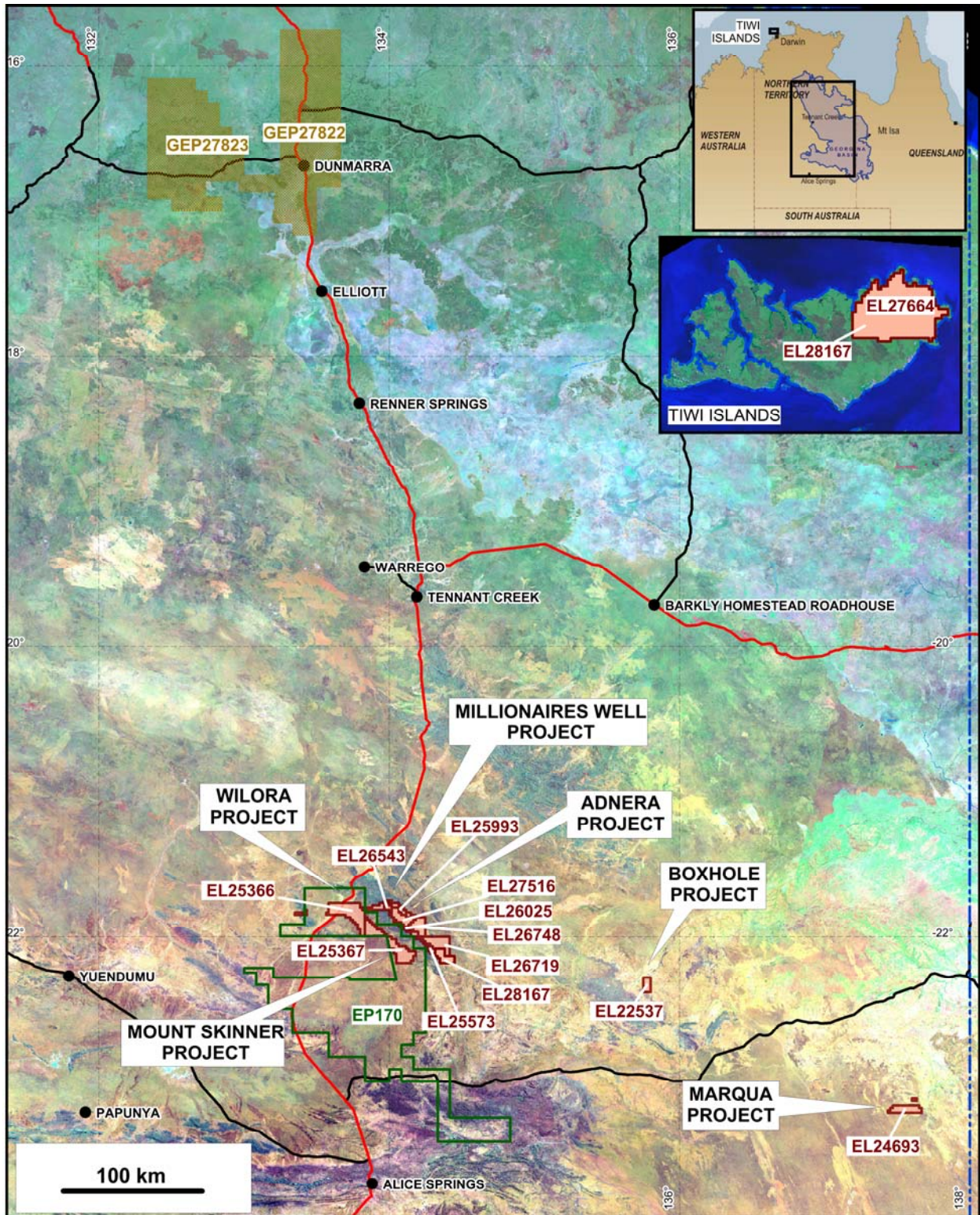
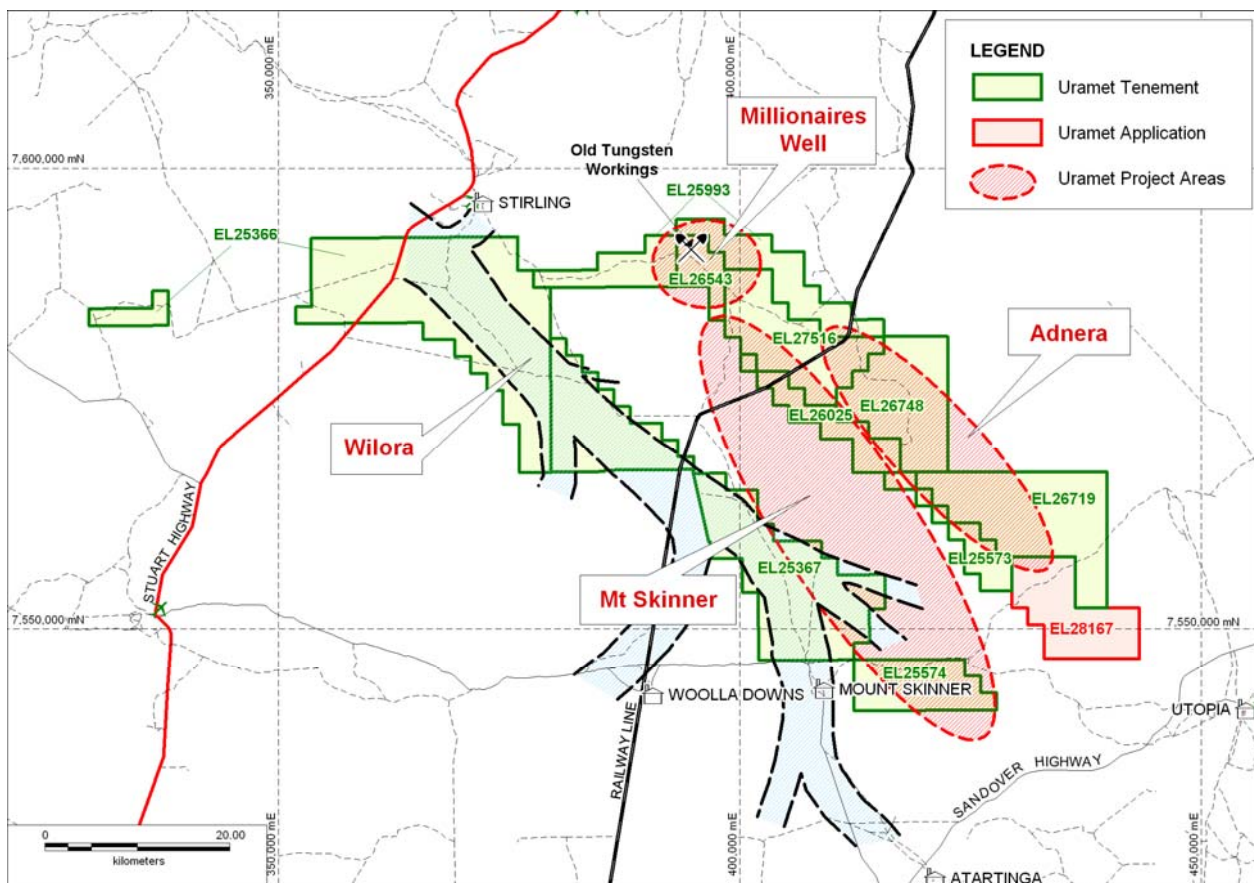


Figure 8: Australian Project areas and tenement position as at 30 June 2010

**TABLE 3: TENEMENT SUMMARY AT 30 JUNE 2010**

Project	Commodity	Tenement Number	Area km <sup>2</sup>
Box Hole	Lead-Zinc	EL 22537	57
Field River	Base Metals	EL 24693	126
Wilora	Uranium	EL 25366	356
Wilora/Mt Skinner	Uranium/Base Metals	EL 25367	320
Mt Skinner	Base Metals	EL 25573	41
Mt Skinner	Base Metals/Uranium	EL 26025	54
Millionaires Well	Tungsten	EL 25993	130
Millionaires Well	Tungsten	EL 26543	32
Adnera	Uranium	EL 26719	172
Adnera	Uranium	EL 26748	127
Adnera	Uranium	EL 27516	121
Adnera	Uranium	EL 28167(A)	99
			<b>1,635</b>

**Abbreviations:** EL = Exploration Licence, A = Application.



**Figure 9:** Tenement Plan showing the location of the Millionaires Well, Adnera, Mt Skinner, and Wilora projects

An application has been made for EL 28167 located along strike from Adnera Uranium Project EL 26748 where an alaskite has been located returning rock chip values of up to 540 ppm U.

Marqua tenement SEL 24769 was surrendered during the Quarter.

With Uramet's primary focus currently being on the Ianna Gold Project, no field work has been undertaken on the Australian projects during the June Quarter.

The company is seeking a joint venture partner to progress exploration at the Box Hole MVT lead/Zinc Project.

The costean program for the Millionaires Well Tungsten Project and extension of auger soil sampling program at the Adnera Uranium Project have been deferred to the next field season and is now planned for April / May 2011.

#### **4 CORPORATE**

At 30 June 2010 the Company had 65,016,771 shares and 2,400,000 unlisted options on issue. During the quarter 950,000 unlisted options expired.

The Company retained \$1.3 million cash at 30 June 2010.



S Randazzo  
Executive Chairman  
29 July 2010

*This report is issued with the prior written consent of Mr Paul Penna, Exploration Manager, a full time employee of Uramet Minerals Limited and 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 given his consent to the release of this report in this form.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10

Name of entity

**URAMET MINERALS LIMITED**

ABN

16 124 251 396

Quarter ended ("current quarter")

30 June 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation (net)	(254)	(572)
(b) development	-	-
(c) production	-	-
(d) administration (net)	(226)	(693)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	63
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – trade creditors, taxes etc	(9)	51
<b>Net Operating Cash Flows</b>	<b>(481)</b>	<b>(1151)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (net)	(75)	(273)
(b) equity investments	-	-
(c) other fixed assets	(75)	(78)
1.9 Proceeds from sale of: (a) prospects (net)	-	-
(b) equity investments	-	-
(c) other fixed assets	-	1
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(150)</b>	<b>(350)</b>
1.13 Total operating and investing cash flows (carried forward)	(631)	(1,501)

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1.13	Total operating and investing cash flows (brought forward)	(631)	(1,501)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc. (net)	-	4
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	-	-
	<b>Net financing cash flows</b>	-	<b>4</b>
	<b>Net increase (decrease) in cash held</b>	<b>(631)</b>	<b>(1,497)</b>
1.20	Cash at beginning of quarter/year to date	1,903	2,780
1.21	Exchange rate adjustments to item 1.20	57	46
1.22	<b>Cash at end of quarter</b>	<b>1,329</b>	<b>1,329</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	62
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 Being an Executive Director's salary and superannuation plus Non Executive Directors' fees and superannuation.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

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## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400
4.2 Development	-
4.3 Production	-
4.4 Administration	296
<b>Total</b>	<b>696</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,289	1,863
5.2 Deposits at call	40	40
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,329</b>	<b>1,903</b>

## Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Refer covering quarterly report attached hereto		
6.2 Interests in mining tenements acquired or increased			

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## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>+Preference securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	65,016,771	65,016,771		
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b>	-	-		
7.6 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through securities matured, converted	-	-		
7.7 <b>Options</b>	800,000	-	<i>Exercise price</i>	<i>Expiry date</i>
	800,000	-	25 cents	19 June 2012
	800,000	-	30 cents	19 June 2012
	<u>800,000</u>	-	40 cents	19 June 2012
	<u>2,400,000</u>	-		
		-		
		-		
		-		
		-		
7.8 Issued during quarter	-	-	-	-
	-	-	-	-
	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Cancelled during quarter	950,000 <i>(expired unexercised)</i>	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: (Company Secretary)

Print name: K Manson

Date: 29 July 2010

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.