



UNITED MINERALS  
CORPORATION NL

ASX / Media Release

8 September 2009

ASX Code: UMC

### Company Overview

United Minerals Corporation is the 100% owner and discoverer of the Railway Iron Ore Deposit in the Central Pilbara of Western Australia. This shallow open-pit high grade (+60% Fe) deposit has a large central core of Direct Shipping Ore. The Railway Iron Ore Deposit is located within 3km of existing rail infrastructure and is best positioned to benefit from future access to this infrastructure.

### Fast Facts

Shares on Issue:	155m
Options:	5.6m
Market capitalisation:	approx. \$158m
Cash on hand as at 30/06/09:	\$9.8m
Debt:	Nil

### Board of Directors

Philip George Crabb	Non Executive Chairman
Matthew Vernon Hogan	CEO/Executive Director
Barry Fehlberg	Executive Director (Expl)
Alan Gordon Birchmore	Non Executive Director
David Anthony Craig	Non Executive Director
Malcolm Randall	Non Executive Director

### Major Shareholdings

Thundelarra Exploration Ltd	13.19%
National Nominees Ltd	8.37%

### UMC Highlights

- 100% owner and discoverer of the Railway Iron Ore Deposit in the Central Pilbara of WA.
- Shallow open-pit high grade deposit (+60% Fe)
- 122 Mt Resource (JORC Indicated and Inferred).
- UMC plans a 3-5Mt pa operation over a 20 year mine life starting in early 2011.
- Based on current prices, production may generate revenues of up to \$400m pa.
- Deposit located < 3km from two Rio Tinto railway lines and < 23km from a BHP railway line.

### Company Contact

CEO / Executive Director: Matthew Hogan  
Executive Director (Exploration): Barry Fehlberg  
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### Media Contact

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## UMC signs groundbreaking equity/off-take agreement with one of China's top steel buyers China Railway Materials Commercial Corp. Group

### HIGHLIGHTS:

- **UMC agrees A\$27.2M placement to China Railway Materials Commercial Corp. Group.**
- **China Railway Materials Commercial Corp. Group is one of the top 3 steel buying groups in China.**
- **Placement is at A\$1.35 per share.**
- **A 10-year 3.0 million tonnes per annum off-take agreement will be negotiated on commercial terms.**
- **1:10 non-renounceable rights issue of new options to existing shareholders.**

Australian iron ore development company United Minerals Corporation NL (**ASX: UMC**) ("United Minerals" or "the Company") has reached a significant milestone in the development of its 100% owned Railway Iron Ore Deposit in the Pilbara region of Western Australia, today agreeing a A\$27.2M placement with Chinese conglomerate China Railway Materials Commercial Corp. Group ("CRM").

One of the conditions of the placement is finalisation of a 10-year 3.0 million tonnes per annum off-take agreement on commercial terms.

The conditional placement to CRM will see the Company issue 20,000,000 fully paid ordinary shares in the capital of the Company ("shares") at an issue price of A\$1.35 per share, together with 2,000,000 attaching options at an issue price of \$0.10 per option with an exercise price of A\$1.35 each and will expire on 30 September 2011, to raise A\$27.2M before issue costs. The shares being issued by the Company are within its 15% capacity under the ASX listing rules.

Post the placement CRM will hold approximately 11.38% of the issued capital of the Company.

United Minerals CEO Mr Matthew Hogan believes the agreement with CRM will prove to be a significant milestone for the company and the development of its Railway Iron Ore Deposit in WA.

"Funds from this capital raising, and more importantly the relationship we are building with China Railway Materials Commercial Corp. Group, will enable the Railway Iron Ore Deposit to be advanced towards production," Mr Hogan said.

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“We welcome the deal with China Railway Materials Commercial Corp. Group and look forward to working with them as a strategic shareholder in bringing this outstanding deposit to commercialisation. The long term off-take agreement will materially assist the financing of the project” he said.

“Clearly, given their infrastructure capabilities, China Railway Materials Commercial Corp. Group may be involved in infrastructure solutions to assist commercialisation of the Railway Deposit.”

**Completion of the placement to CRM is subject to satisfaction (or waiver) of the following conditions:**

- satisfactory outcome of due diligence by CRM on the Company;
- CRM receiving written notification under the *Foreign Acquisitions and Takeovers Act 1975* that the Australian Commonwealth Government has no objection under its foreign investment policy or under the Act to the placement by the Company to CRM;
- CRM obtaining various Chinese regulatory approvals; and
- signing of 3.0 million tonnes per annum Iron Ore sales contract for 10 years with CRM.

The conditions must be satisfied (or waived) by 7 December 2009 or such later date as the parties may agree.

**BACKGROUND TO CHINA RAILWAY MATERIALS COMMERCIAL CORP. GROUP (“CRM”)**

China Railway Materials Commercial Corp. Group (CRM), headquartered in Beijing, is currently one of the top 3 steel buyers in China and has long established relationships with each of the Tier One Chinese Steel Mills and other State Owned Enterprises (“SOEs”).

In 2008 CRM’s sales revenue and total assets were 100.2 billion RMB (approx A\$20 billion) and 26.8 billion RMB respectively. That year it was ranked 60<sup>th</sup> among the TOP 500 Chinese Enterprises, 25<sup>th</sup> in the service industry, and 44<sup>th</sup> amongst the TOP 500 Enterprise Groups.

its activities involve the manufacturing of railway materials, rolling stock, rail, and other railway construction materials in China and overseas. CRM has over 4,000 senior professionals specialised in logistics, marketing, research & development, computer application, business administration and finance management.

CRM has a successful history of overseas investment into the Australian iron ore sector.

**Website:** <http://www.crmsc.com.cn/english/>

The Company will issue a total of 604,444 shares to RIMCapital Limited (ASX: RMC) (at the same placement price of A\$1.35 per share) as payment of fees for its services in regard to the placement. The shares will only be issued to RIMCapital Limited upon completion of the placement.

The placement of shares and attaching options to CRM and issue of shares to RIMCapital will be undertaken utilising the Company’s 15% capacity under ASX Listing Rule 7.1. Accordingly, the placement is not subject to shareholder approval.

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### 1:10 NON-RENOUCEABLE RIGHTS ISSUE OF NEW OPTIONS TO EXISTING SHAREHOLDERS

A non-renounceable rights issue of one new option for every ten fully paid ordinary shares held at the record date will be made to shareholders of the Company at an issue price of A\$0.10 per option, to raise up to approximately A\$1,551,123 (assuming no existing options are exercised prior to the record date). Each new option is exercisable at A\$1.35 and will expire on 30 September 2011.

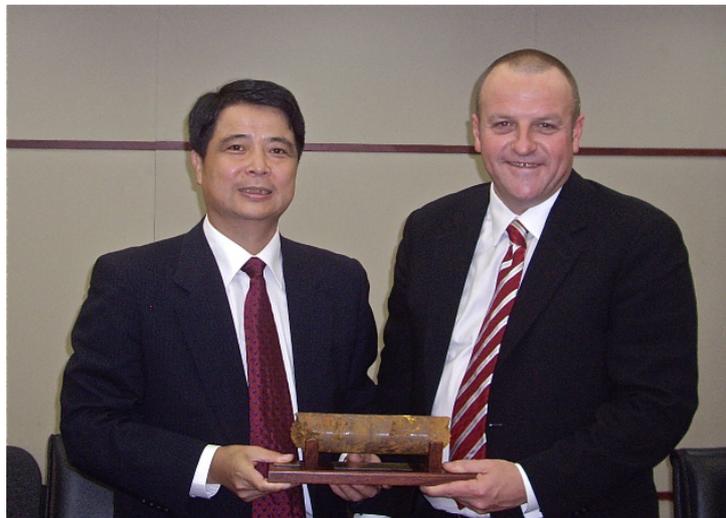
Some or all of the abovementioned CRM conditions are likely to remain outstanding for the period of the rights issue.

The Company is finalising a prospectus for the rights issue and anticipates lodging the prospectus with ASIC shortly.

The funds raised from the rights issue and the placement will be used to advance the Railway Deposit towards production and general working capital.

"The non-renounceable rights issue of new options to existing shareholders of the Company should be well received" said Mr. Hogan.

Matthew Hogan  
Chief Executive Officer



In Beijing – Mr. Song Yufang (President – CRM) and Mr. Matthew Hogan (CEO – UMC)

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In Beijing (pictured from left to right) – Mr. Barry Fehlberg (Executive Director - UMC), Mr. Song Yufang (President – CRM), Mr. Matthew Hogan (CEO - UMC) and Mr. Liu Guoping (Vice President - CRM)

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