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**AUSTRALIAN SECURITIES EXCHANGE LIMITED**  
**COMPANY ANNOUNCEMENTS PLATFORM**  
**ASX CODE USA**

## **COMMENCEMENT OF DRILLING**

### ***Kingoonya Palaeodrainage System***

#### **Drilling**

UraniumSA Limited advises that the Company drilling plant commenced drilling in the Tarcoola portion of the Kingoonya Palaeodrainage System on Friday 29<sup>th</sup> February 2008. This scheduled relocation of the Company drill rig to meet JV obligations was advised to market 2<sup>nd</sup> January 2008.

Initially, drilling will be within the Stellar Resources Limited JV ground in and around Tarcoola testing for sediment-hosted uranium mineralisation in targets identified by the airborne electromagnetic survey. Following this, the Company owned Mayhew 1000 rig and its associated plant and logging truck will be rotating between the Stellar JV, Marathon Resources Limited JV and the UraniumSA Pyramid Bore and Muckanippie tenements.

#### **Exploration**

Field reconnaissance of the Peela Swamp prospect in the Stellar JV tenements by UraniumSA staff confirmed the presence of carnotite mineralisation within siliceous materials across the surface of the drainage system. The occurrence is not economically significant, but it is technically important as it confirms that uranium is present and mobile in this part of the Kingoonya drainage system.

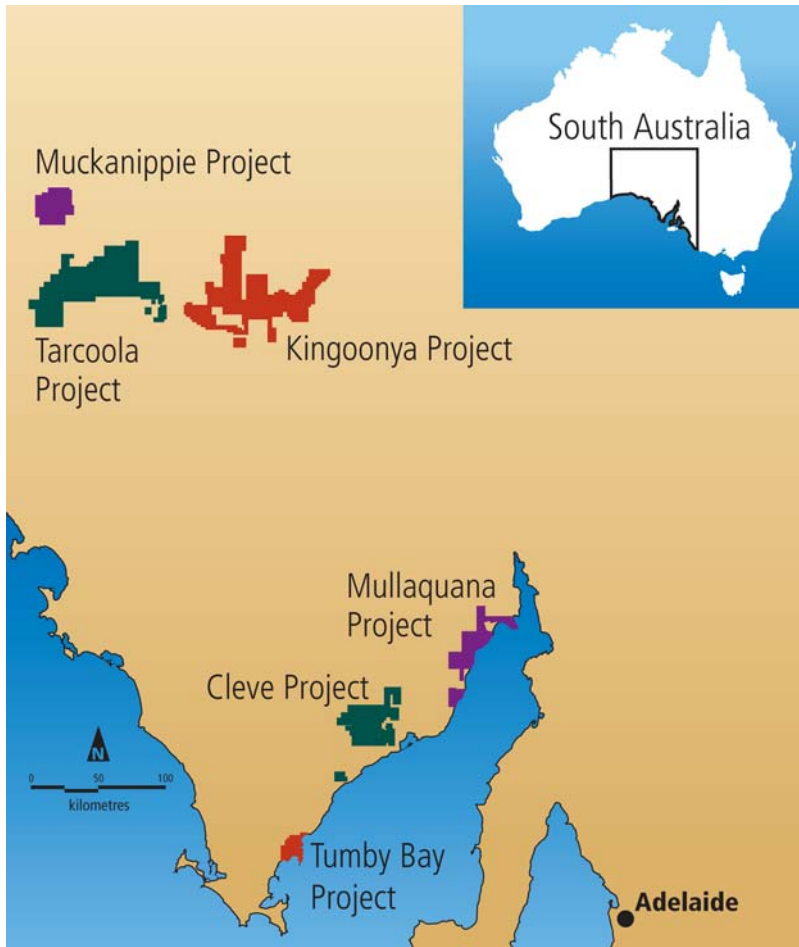
In 1979, AFMECO discovered uranium mineralisation at the Peela Swamp prospect within what is now the Stellar JV tenements. Drilling found carnotite uranium mineralisation (maximum 0.044% U<sub>3</sub>O<sub>8</sub>) within thin fluviatile clay units of the modern drainage system. The mineralised area is small and the mineralised horizons thin and of limited extent; the prospect potentially contains only a few hundred kilograms of mineralisation.

### ***Mullaquana***

First-pass drilling to outline the envelope of uranium mineralisation at the Mullaquana project within EL 3652 was completed 17<sup>th</sup> February 2008. Results obtained in this broad spaced reconnaissance drilling are being compiled and will be released when this is complete.

The Company is planning and scheduling the additional work required to advance its discovery of significant sediment hosted uranium mineralisation at Mullaquana. This involves sourcing a suitable drill rig and associated equipment to continue the drill-out of the envelope of mineralisation and the start of in-fill drilling in high-priority areas.

## About UraniumSA Ltd



UraniumSA is an Adelaide-based uranium-only explorer specialising in sediment-hosted and unconformity styles of uranium mineralisation within a substantial portfolio of properties in South Australia's Gawler Craton.

The Company has discovered sediment hosted uranium mineralisation at Mullaquana. The mineralised trend has been traced out by drilling for 11km and remains open in both directions.

The Kingoonya Palaeodrainage System is the focus of the tenement portfolio. It hosts the Warrior and Ealbara uranium prospects in adjoining tenements. AEM surveys by USA have mapped out the architecture of the palaeodrainage system. Systematic exploration drilling of the palaeodrainage has commenced and will continue for the foreseeable future.

UraniumSA owns and operates its own Mayhew 1000 rotary mud drill rig, associated drilling plant and a down hole logging unit. This enables the Company to maintain a continuous program of drill testing of its exploration tenure.

Russel Bluck  
 Managing Director  
 UraniumSA Limited



*The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. Russel Bluck a Member of the Australian Institute of Geoscience and an employee of UraniumSA Limited. Mr Bluck has sufficient experience relevant to the style of mineralisation and type of deposits being considered and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). Mr Bluck consents to the inclusion in the report of matters based on his information in the form and context in which it appears. It should be noted that the abovementioned exploration results are preliminary.*

**Explanatory note.** Carnotite is a potassium uranium vanadate mineral that typically occurs as crusts and flakes in rocks at or near the surface. It is the main ore mineral in many calcrete style deposits.