



Monday, 27 October 2008

AUSTRALIAN SECURITIES EXCHANGE
COMPANY ANNOUNCEMENTS PLATFORM
ASX CODE USA

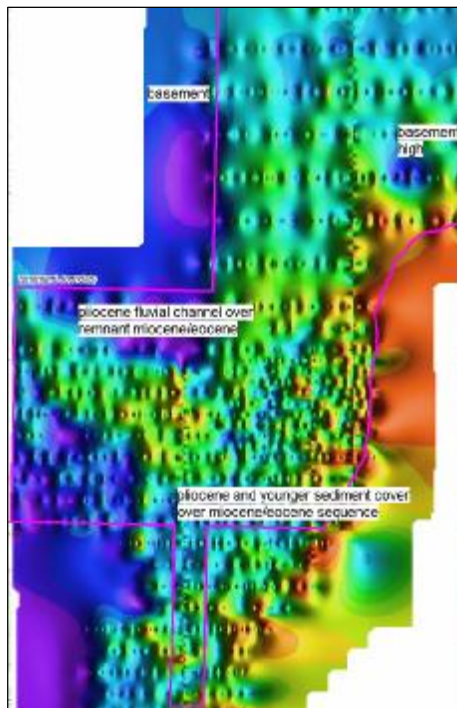
ACTIVITIES REPORT 3 MONTHS ENDED 30th SEPTEMBER 2008

Exploration overview

1. Mullaquana project, Eastern Eyre Peninsula.

Airborne Electromagnetic Survey. An AEM survey was flown across the majority of the Mullaquana tenement to map out the distribution of potentially uranium mineralised sediments. The survey was flown by Geosolutions Pty Ltd, a specialist geophysical consultancy. Raw data was provided from the helicopter at the end of each day. The full data set is being processed and the final results should be available shortly.

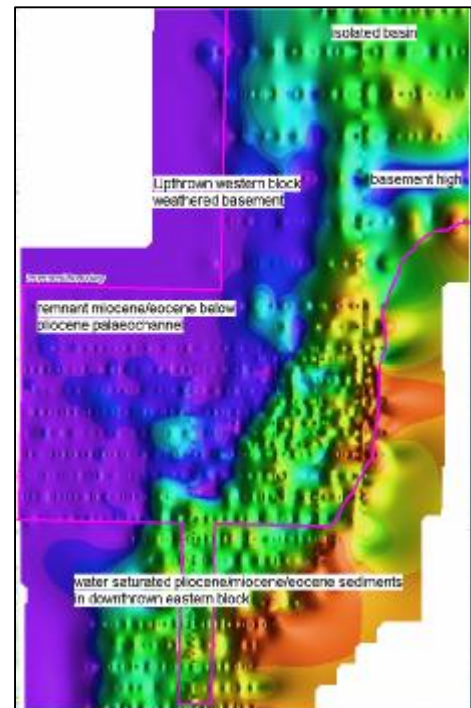
The raw images of the Mullaquana data (below) provide significant information on the distribution of prospective sediments. In addition, several previously unknown prospective structures within the underlying uranium mineralised Hiltaba suite granite have been identified and are being scheduled for shallow drill testing.



Left: an “early time” image which maps the distribution of shallow sequences.

Right: a “late time” image which maps deeper sequences and features.

In both images, the red tones to the right are reflecting seawater and mangroves.



The images are approximately 33km north-south and 22km east-west. The City of Whyalla is 6km east of the top right corner of the images.

Joint Ventures. Documentation for the Australasia Gold Limited Joint Venture has been agreed and will be signed by the parties very shortly. Administrative delays have slowed the progress of the Stellar Resources Joint Venture but documentation should be completed shortly.

Drilling. The drill rig will be commencing work at Mullaquana following up the results of the AEM survey during the October-December Quarter.

2. Cleve project: Eastern Eyre Peninsula

A short AEM survey was flown across the Boothby prospect (a bedrock uranium-copper-nickel anomaly associated with a shallow IP anomaly). The raw data does not give any immediate leads and processing and interpretation has commenced.

The area of the Boothby anomaly is under crop and is inaccessible. A follow up bedrock geochemical drilling program is being scheduled for late December 2008 to early January 2009.

3. Kingoonya Palaeodrainage System

Drilling at the Muckanippie project was finalised during the period and the rig mobilised to Mullaquana.

Corporate

UraniumSA Limited has fulfilled its obligations under its Joint Ventures with both Stellar Resources Limited and Marathon Resources Limited for its 70% interest in these projects.

In April 2008 the Company commenced planning strategies for what it believed was going to be a difficult period in the markets. The Board is now implementing these strategies and believes that the Company will be able to continue active exploration work for the foreseeable future.

Projected activity to 31st December 2008

1. Mullaquana: Eastern Eyre Peninsula

Joint Venture documentation will be completed with Australasia Gold Limited and Stellar Resources Limited. Negotiations will be pursued with Rex Minerals Limited.

Data processing of the AEM survey will be completed and the information integrated into the drill hole targeting.

Drilling will initially focus on the completion of regional exploration to identify new prospects. The start of infill drilling of the main prospects will overlap with the completion of this regional work.

2. Cleve: Eastern Eyre Peninsula

A short program of bedrock geochemical drilling will commence at the Boothby prospect as soon as the ground becomes accessible after reaping of the crop.

**3. Kingoonya Palaeodrainage System
Tarcoola, Kingoonya and Muckanippie projects**

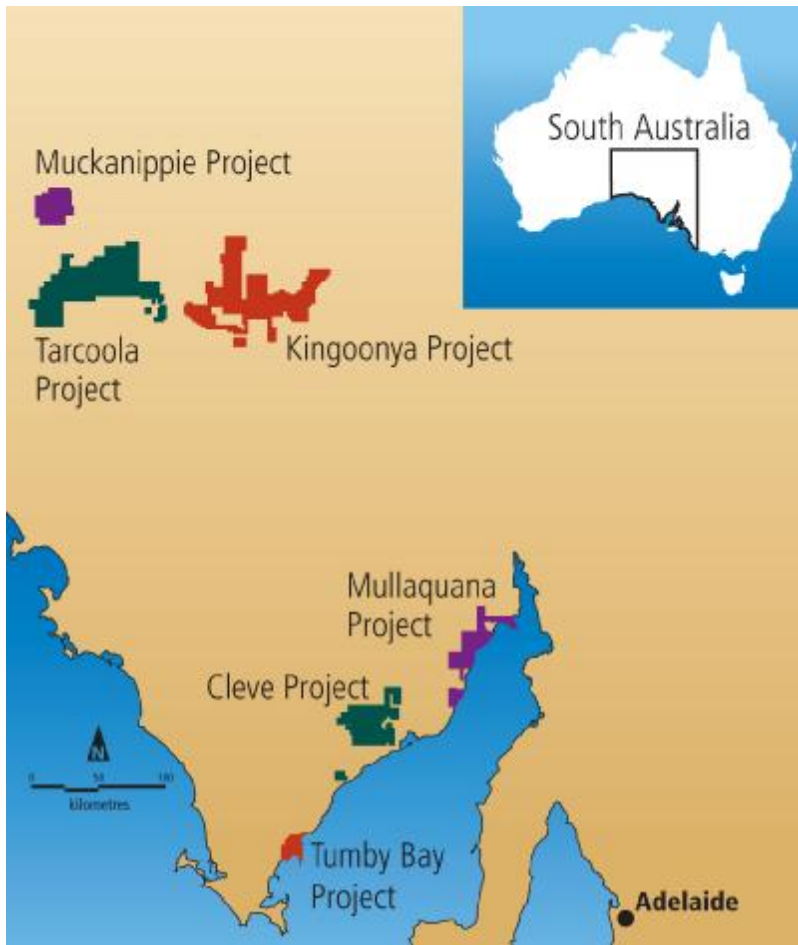
Data analysis and interpretation will continue. No field work or drilling is scheduled.

4. Plant and Equipment

The completion of repairs and maintenance of the “Ugly Dog” rig ahead of its start at Mullaquana has been significantly delayed by the supply of parts and the completion of essential repairs by third parties.

The Team has been consolidated into one crew and work on the refurbishment of the second rig, “Leister” has been put on hold.

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. Two uranium mineralised trends have been identified and partially drilled out – they remain open along strike.

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.