

Monday, 21 December 2009

## Listed Share Options

Dear Option Holder,

Further to our letter to you dated 10<sup>th</sup> December 2009 we advise that the Company today released to the ASX the results of its infill drilling of the Blackbush Prospect, Mullaquana Project up to the end of the current field season. A copy of the announcement entitled

### **Increased Grade and Thickness at the Mullaquana Uranium Project**

is attached for your information.

As previously advised in our letter to you dated 10<sup>th</sup> December 2009, the Options (USAO) will expire 18<sup>th</sup> January 2010 unless exercised on or before that date.

Quotation of these Options (USAO) will cease on the Australian Securities Exchange at the close of trading on Monday 11<sup>th</sup> January 2010.

If you are considering exercising your options, you should refer to the letter dated 10<sup>th</sup> December 2009 for instructions and information. Current share price information is available from the ASX web site.

Yours faithfully,



**Russel Bluck**  
Managing Director  
UraniumSA Limited

Monday, 21 December 2009

AUSTRALIAN SECURITIES EXCHANGE  
COMPANY ANNOUNCEMENTS PLATFORM  
ASX CODE USA

UraniumSA Limited

ABN 48 119 978 013

32 Beulah Road  
Norwood, South Australia  
5067  
Australia

Phone +61 (0)8 8132 0577

Fax +61 (0)8 8132 0766

[executive@uraniumsa.com.au](mailto:executive@uraniumsa.com.au)

[www.uraniumsa.com.au](http://www.uraniumsa.com.au)

## INCREASED GRADE AND THICKNESS AT THE MULLAQUANA URANIUM PROJECT

### Progress Results from Infill Drilling

Infill drilling at the Blackbush Prospect is identifying higher grades and thicknesses of mineralisation. To the end of the 2009 field season, 58 rotary mud infill drill holes have been completed on a 100m pattern within the resource area (Figure 3). The initial JORC Inferred Mineral Resource for the Blackbush Prospect is 12Mt @ 0.02% U<sub>3</sub>O<sub>8</sub> (224 ppm) for an estimated 2,700t contained U<sub>3</sub>O<sub>8</sub>.

Drilling highlights include:

- MRM525: 9.70m @ 602ppm eU<sub>3</sub>O<sub>8</sub>, including 3.8m @ 1,240ppm eU<sub>3</sub>O<sub>8</sub>
- MRM530: 8.53m @ 307ppm eU<sub>3</sub>O<sub>8</sub>, including 2.6m @ 571ppm eU<sub>3</sub>O<sub>8</sub>
- MRM548: 6.87m @ 466ppm eU<sub>3</sub>O<sub>8</sub>
- MRM550: 11.50m @ 401ppm eU<sub>3</sub>O<sub>8</sub>
- MRM553: 19.6m @ 364ppm eU<sub>3</sub>O<sub>8</sub>
- MRM554: 11.61m @ 346ppm eU<sub>3</sub>O<sub>8</sub>, including 4.9m @ 475ppm eU<sub>3</sub>O<sub>8</sub>
- MRM556: 21.00m @ 508ppm eU<sub>3</sub>O<sub>8</sub>, including 15m @ 588ppm eU<sub>3</sub>O<sub>8</sub>

Drill hole details are provided in Table 1.

Drilling results from the Blackbush Prospect continue to offer strong encouragement for a resource upgrade. Mineralisation is shallow (average depth 50-60m) and is hosted by water saturated high-porosity sands. The mineralisation is potentially amenable to extraction by a low cost (both capital and operating costs) in-situ recovery (ISR) operation.

The drilling program at Blackbush Prospect for early 2010 will see the completion of the current infill drilling program followed by a small drill core program. Initial mineralogy and metallurgical characterisation will be obtained from this drill core. These holes will also be down-holed logged with a pfn tool.

Following on to the current drilling schedule at Blackbush will be the commencement of a preliminary hydrogeology program consisting of groundwater monitoring bores and hydrogeological test bores.

Field work at Blackbush Prospect is scheduled to recommence Monday 11<sup>th</sup> January 2010.

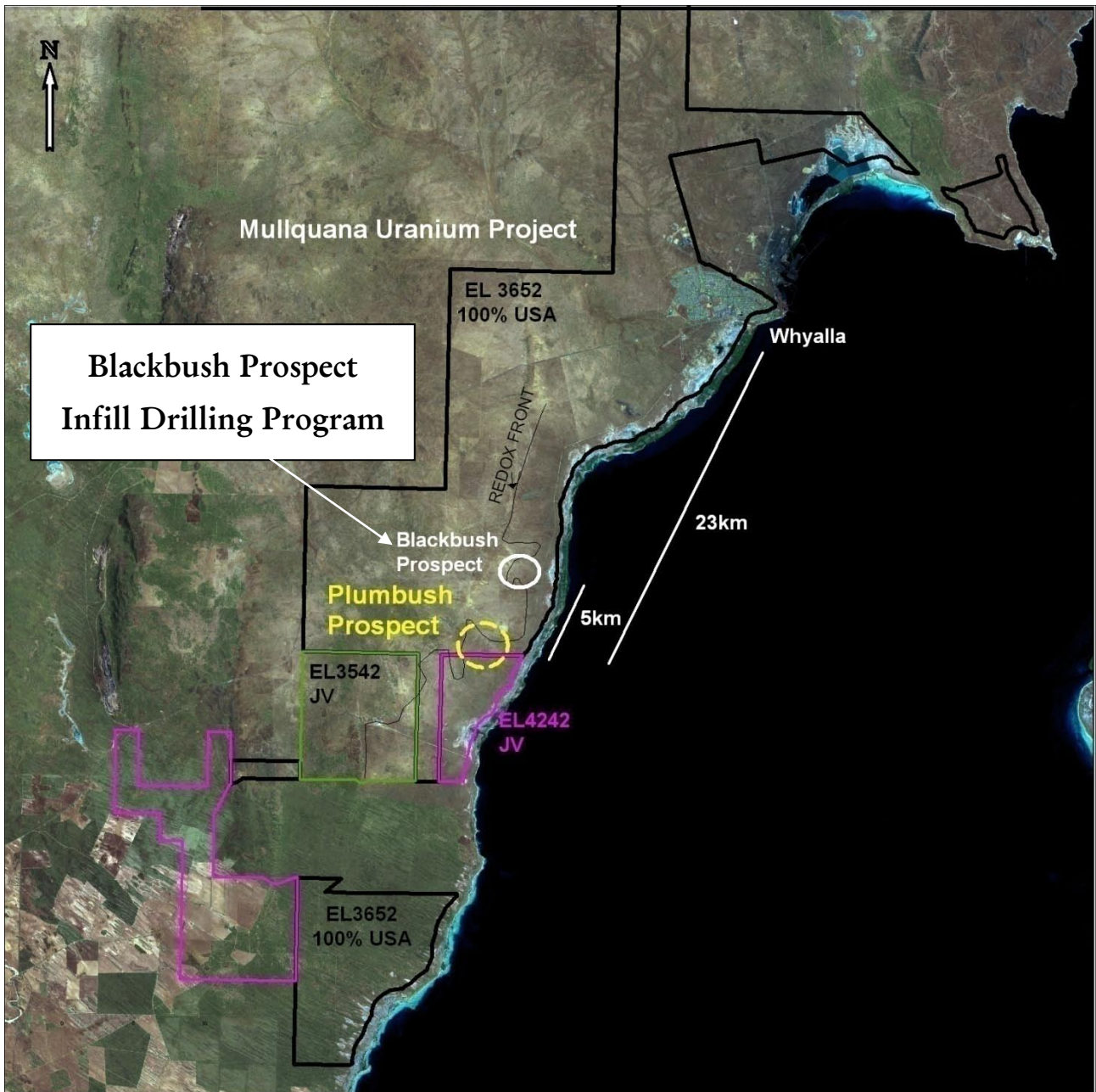
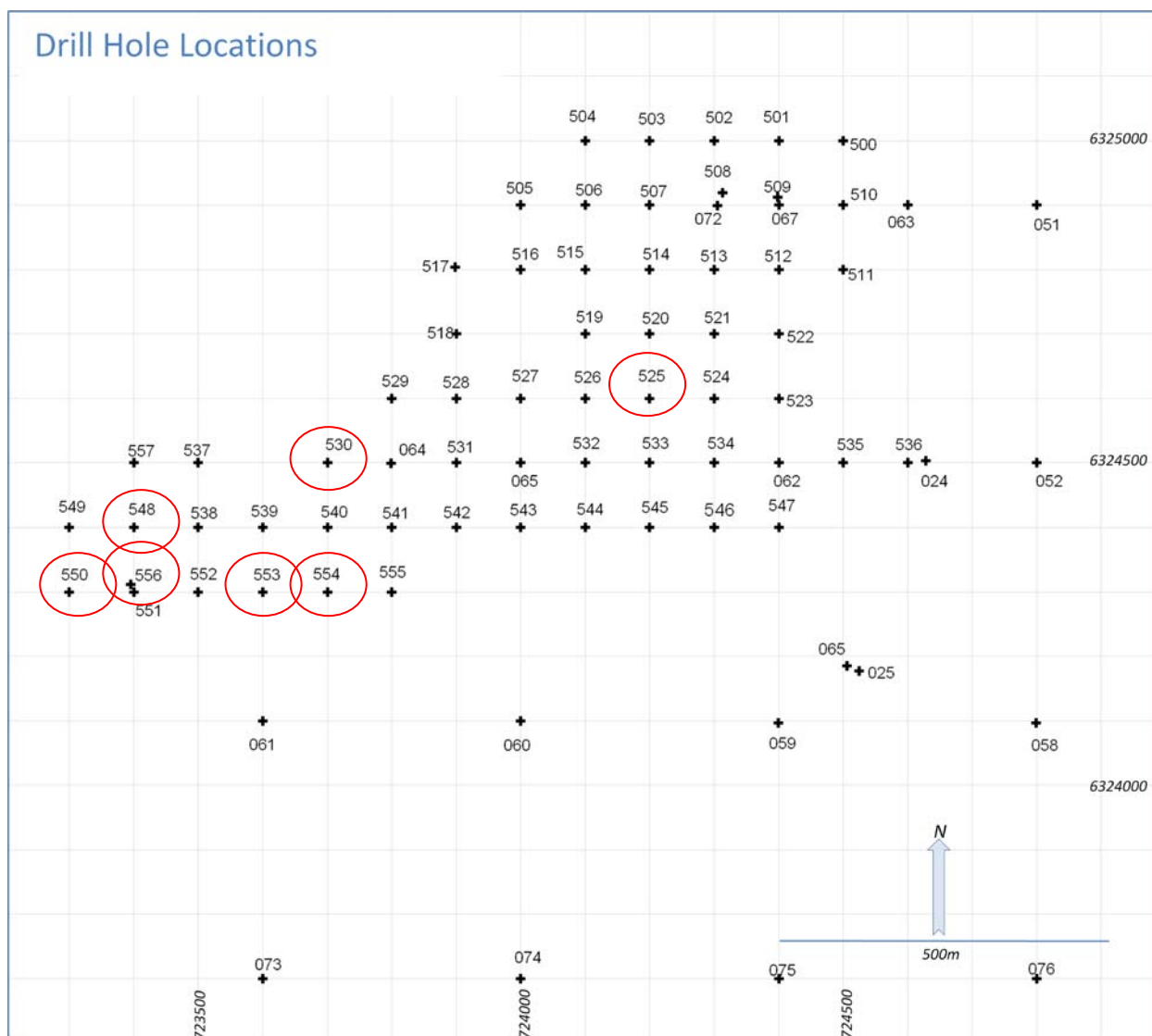


FIGURE 1: Mullaquana Uranium Project Location Map on satellite image.

The Mullaquana Project (EL 3652) is owned 100% by UraniumSA Limited. The Company has Joint Ventures to earn a 70% interest in uranium in tenements to the south held by Stellar Resources Limited (EL 4242) and Australasia Gold Limited (EL 3542).

Whyalla is a well established industrial city which services the iron ore mining and steel manufacturing businesses of OneSteel Limited. The area has good infrastructure and a well skilled workforce.





**FIGURE 3:** Blackbush Prospect. Drill hole locations

Holes reported herein are numbered 500 and up.

Previously reported exploration drill holes have a “0” prefix.

Pattern drilling has proceeded from the northeast towards the southwest and 58 drill holes numbered from 500 to 557 are shown on the map.

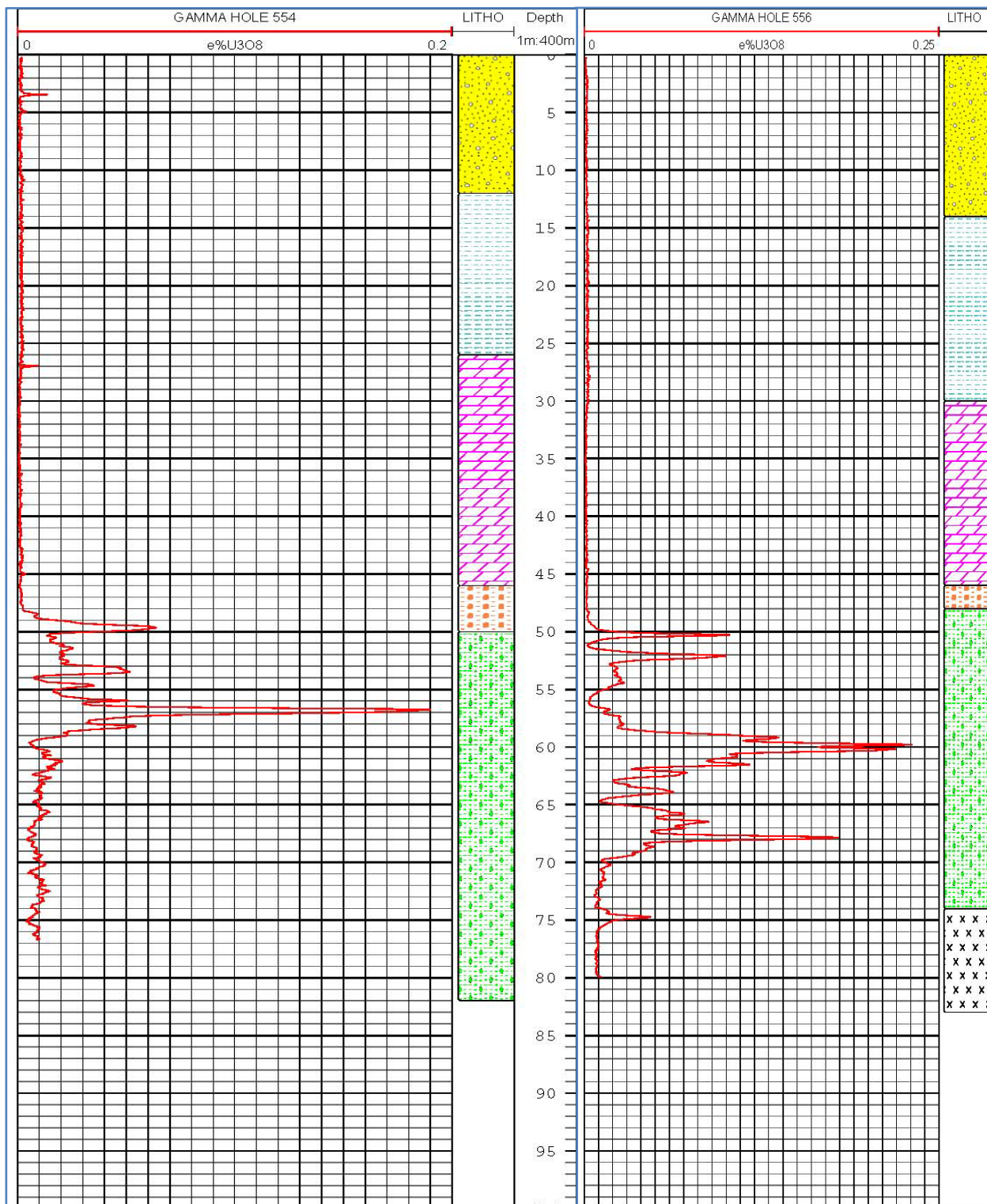
FIGURE 4

MRM 554 Down Hole Log

(Note: full scale 0.200% eU<sub>3</sub>O<sub>8</sub>)

MRM556 Down Hole Log

(Note: full scale 0.250% eU<sub>3</sub>O<sub>8</sub>)



Note: the 100 eppm cutoff is the first line on the right hand side

**TABLE 1: Drill hole Summary**

Hole ID	Depth From (m)	Cumulative Thickness (m)	avg. grade ppm eU <sub>3</sub> O <sub>8</sub>	avg. grade % eU <sub>3</sub> O <sub>8</sub>	GT m%
MRM500	Below cutoff				
MRM501	53.5	16.50	268	0.027	0.442
MRM502	Below cutoff				
MRM503	57.1	11.70	291	0.029	0.341
MRM504	Below cutoff				
MRM505	Below cutoff				
MRM506	Below cutoff				
MRM507	Below cutoff				
MRM508	48.8	3.68	218	0.022	0.080
MRM509	49.0	5.00	430	0.043	0.215
MRM510	53.1	0.92	323	0.032	0.030
MRM511	Below cutoff				
MRM512	47.8	1.10	171	0.017	0.019
MRM513	50.4	11.40	280	0.028	0.319
MRM514	Below cutoff				
MRM515	49.4	1.4	146	0.015	0.020
MRM516	Below cutoff				
MRM517	Below cutoff				
MRM518	Below cutoff				
MRM519	49.2	1.00	186	0.019	0.019
MRM520	49.5	7.20	202	0.020	0.145
MRM521	51.2	10.04	269	0.027	0.270
MRM522	49.1	0.93	168	0.017	0.016
MRM523	50.6	1.05	157	0.016	0.016
MRM524	50.2	2.47	151	0.015	0.037
MRM525	51.4	9.70	602	0.060	0.584
MRM526	52.0	2.00	140	0.014	0.028
MRM527	Below cutoff				
MRM528	42.8	0.58	446	0.045	0.026
MRM529	Below cutoff				
MRM530	49.4	8.53	307	0.031	0.262
MRM531	50.0	3.60	244	0.024	0.088
MRM532	50.8	1.72	360	0.036	0.062
MRM533	50.9	5.34	197	0.020	0.105
MRM534	49.6	7.88	214	0.021	0.169

**TABLE 1: Drill hole Summary *Continued.***

Hole ID	Depth From (m)	Cumulative Thickness (m)	avg. grade ppm eU <sub>3</sub> O <sub>8</sub>	avg. grade % eU <sub>3</sub> O <sub>8</sub>	GT m%
MRM535	48.4	1.00	218	0.022	0.022
MRM536	48.2	1.60	321	0.032	0.051
MRM537	50.8	3.4	217	0.022	0.074
MRM538	50.3	10.50	249	0.025	0.262
MRM539	48.5	13.33	233	0.023	0.310
MRM540	49.3	12.87	255	0.025	0.328
MRM541	49.5	10.26	206	0.021	0.211
MRM542	48.8	10.21	188	0.019	0.192
MRM543	49.6	6.00	177	0.018	0.106
MRM544	50.4	4.86	154	0.015	0.075
MRM545	49.4	8.61	231	0.023	0.199
MRM546	48.2	2.78	181	0.018	0.050
MRM547	46.7	3.10	274	0.027	0.085
MRM548	56.0	6.87	466	0.047	0.320
MRM549	51.4	12.12	304	0.030	0.368
MRM550	50.6	11.50	401	0.040	0.462
MRM551	collapsed hole - not loggable				
MRM552	51.7	10.30	336	0.034	0.346
MRM553	50.0	19.60	364	0.036	0.713
MRM554	49.0	11.61	346	0.035	0.401
MRM555	49.6	15.25	246	0.025	0.376
MRM556	49.8	21.00	508	0.051	0.149
MRM557	55.6	5.30	281	0.028	0.149

**Note:**

UraniumSA Limited uses a minimum 0.40m intercept length above a 0.01% eU<sub>3</sub>O<sub>8</sub> cutoff (or 100 ppm) with a maximum of 0.10m internal dilution to calculate a grade x thickness product for that intercept as a “m%” figure.

“accumulation” results for a drill hole are the sum of individual intervals which exceed the above minimum criteria.

A GT (grade thickness) accumulation in excess of 0.050m% eU<sub>3</sub>O<sub>8</sub> is considered to be potentially economically significant.

Results are equivalent % U<sub>3</sub>O<sub>8</sub> obtained from down hole logging of natural gamma radiation. This is an industry standard procedure and all equipment is appropriately calibrated and operated.

## About UraniumSA Limited

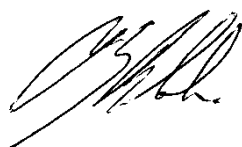


UraniumSA is an Adelaide-based uranium-only explorer specialising in sediment-hosted styles of uranium mineralisation within a substantial portfolio of properties in South Australia's Gawler Craton.

The Company has discovered sediment hosted uranium mineralisation at Mullaquana, south of Whyalla on the Eyre Peninsula.

Evaluation of the Blackbush Prospect for an ISR field leach trial is scheduled to commence documentation mid 2010 with the objective of being able to start construction mid 2011.

Ongoing exploration of the Plumbush Prospect is discovering potentially economic mineralisation. Exploration south into Joint Ventured ground is scheduled for early in 2010.



Russel Bluck  
Managing Director  
UraniumSA Limited

21<sup>st</sup> December 2009

*The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Ms. Nicole Galloway Warland, Exploration Manager, and Mr. Russel Bluck, Managing Director, UraniumSA Limited. Ms Galloway Warland and Mr. Bluck are Members of the Australian Institute of Geoscientists and have sufficient experience relevant to the style of mineralisation and type of deposits being considered, and to the activity which they are undertaking to qualify as a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). Ms Galloway Warland and Mr Bluck consent to the inclusion in the report of matters based on their information in the form and context in which it appears. It should be noted that the abovementioned exploration results are preliminary.*