

Tuesday, 8 June 2010

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

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COMMENCEMENT OF DRILLING

11,000m of drilling Mullaquana Project, Eyre Peninsula, South Australia

Contract drillers mobilised Monday 7th June 2010 to the Mullaquana Project to commence pattern drilling within the Blackbush, Blackbush Extension and Blackbush West Prospects.

Up to 11,000m of drilling has been contracted to enable the estimation of a JORC compliant inferred resource for the combined Blackbush prospects. On present scheduling;

- **Blackbush Extension and Blackbush West – drilling will commence 8th June with an initial resource estimate scheduled mid to late July 2010.**
- **Blackbush Prospect – drilling is scheduled late July to early August 2010.**
- **combined Blackbush prospects, an estimation of inferred resource is anticipated to be available mid to late August 2010.**

The contract will be delivered in four components;

1. An initial pattern of ~80 holes for ~6,500m to drill out the Blackbush Extension and Blackbush West Prospects (attached figure). The combined exploration objective* for the Blackbush Extension and Blackbush West Prospects is in the range of 5.5 to 10.5Mt of mineralisation at grades between 575 to 520ppm U₃O₈. The present scheduling will see this work completed early July with results available mid to late July 2010.
2. A second pattern of ~80 holes for ~4,500m (attached figure) to complete the in-fill drilling of the area of the existing Blackbush JORC compliant inferred resource estimate (12Mt at 224ppm U₃O₈ for 2,700t of mineralisation). The present scheduling will see this work completed late July for reporting early to mid August 2010.
3. The completion of five more sites for hydrological monitoring wells. These are in addition to the 7 sites already established. Hydrogeological information is a critical part of the documentation required for the approvals for the commencement of field leach trials.
4. Up to 10 holes into the basement underlying the sediment hosted mineralisation and completed with core tails to obtain samples of fresh granite for geochemical analysis, petrology and age dating. The Company has a PACE grant from PIRSA (Department of Primary Industry and Resources South Australia) for the drilling component of this work.

*** CAUTIONARY STATEMENT** exploration objectives are a conceptual tool used by the Company in designing and conducting its ongoing exploration. There is no certainty that the further work referred to herein will result in the determination of a mineral resource.

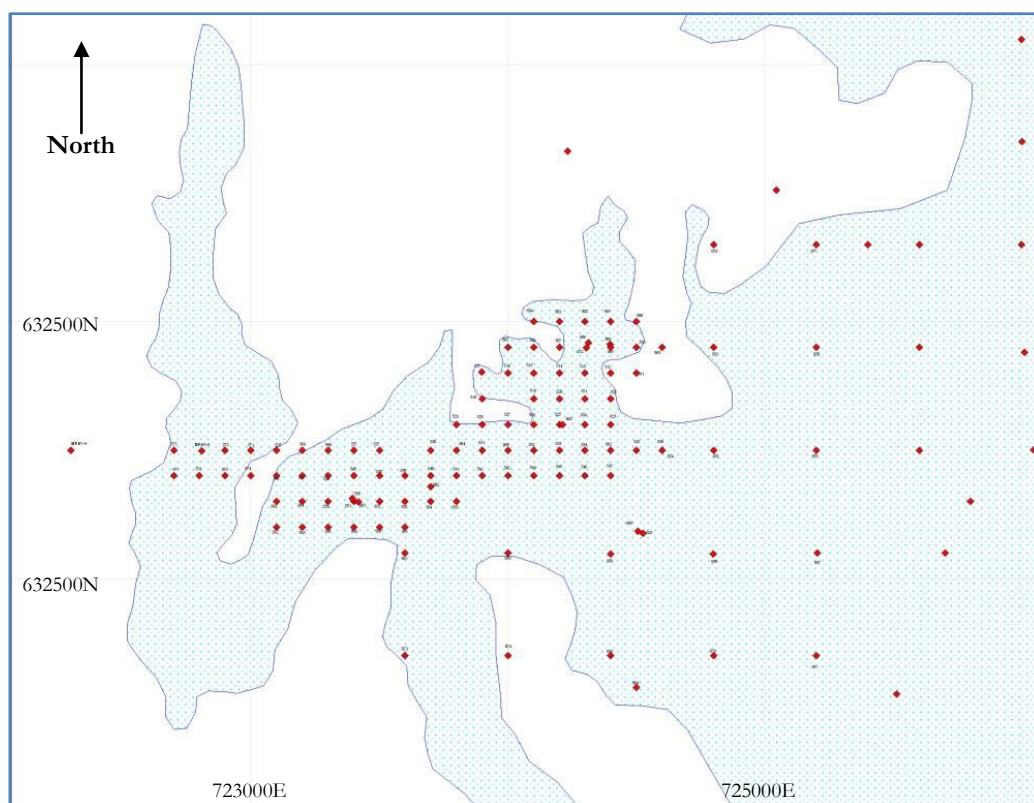


Figure 1. Blackbush Prospects. Blue Outline interpreted extent of the Eocene host to mineralisation and the location of reported drill holes
Details of the drill holes shown have been provided in previous ASX releases

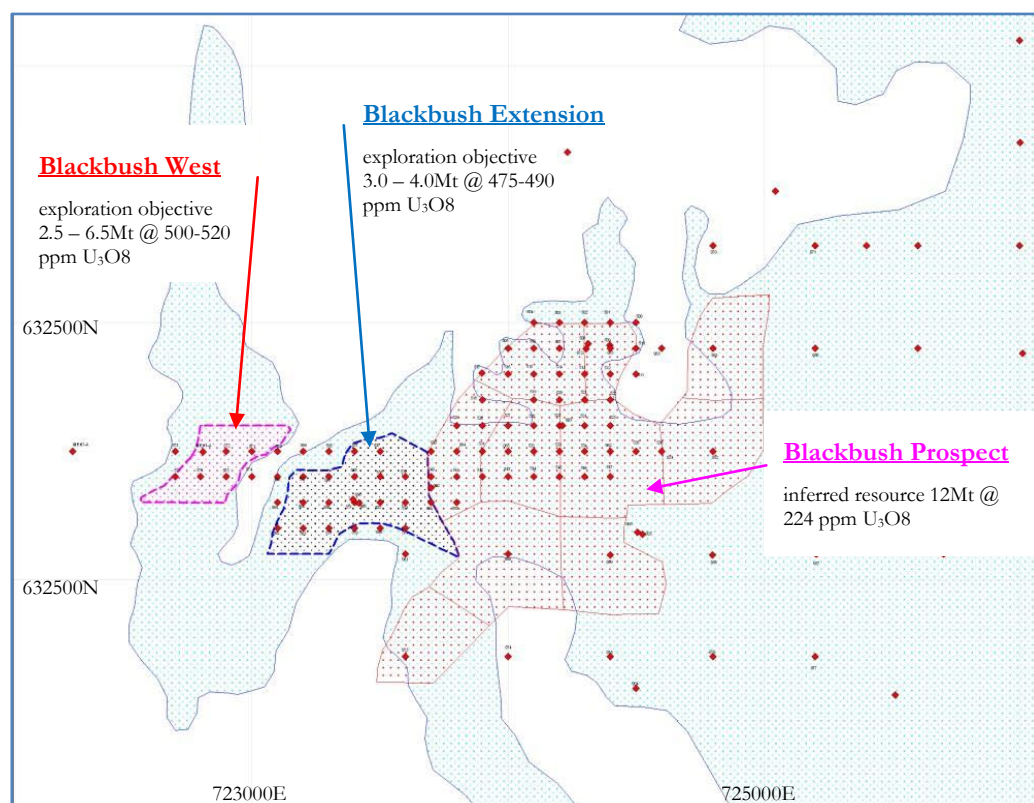


Figure 2. Blackbush Prospects. Existing resource estimates and exploration objectives
Cautionary Statement exploration objectives are a conceptual tool and there is no certainty that the further work referred to herein will result in the determination of a mineral resource

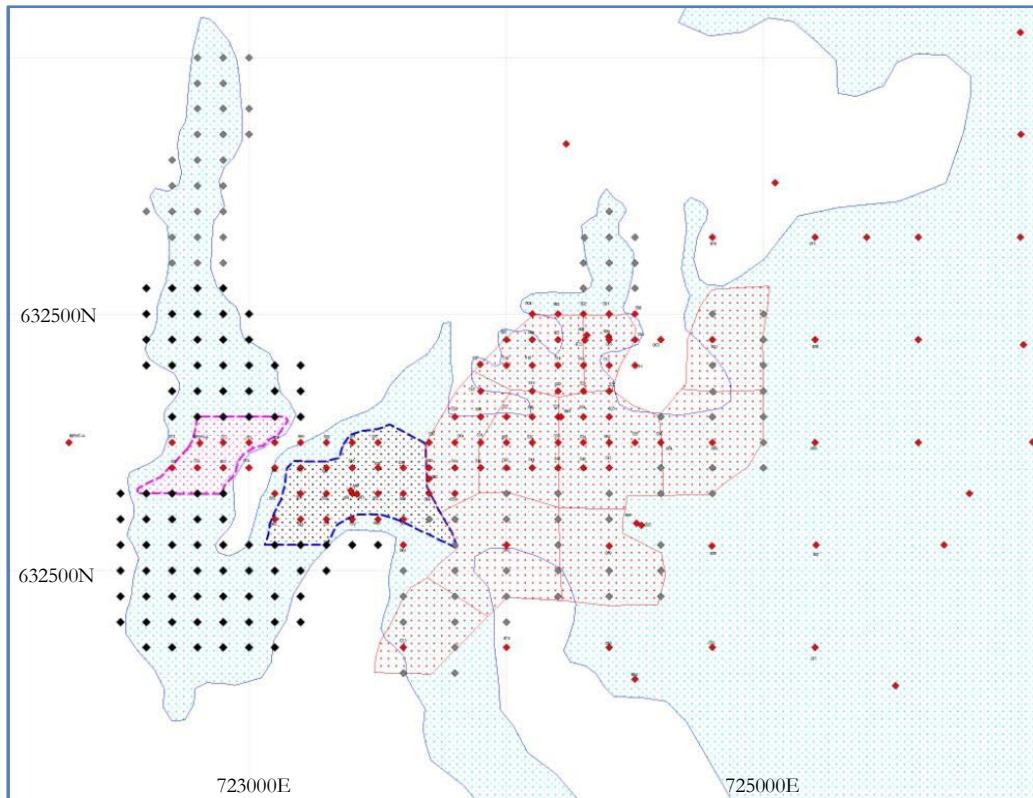
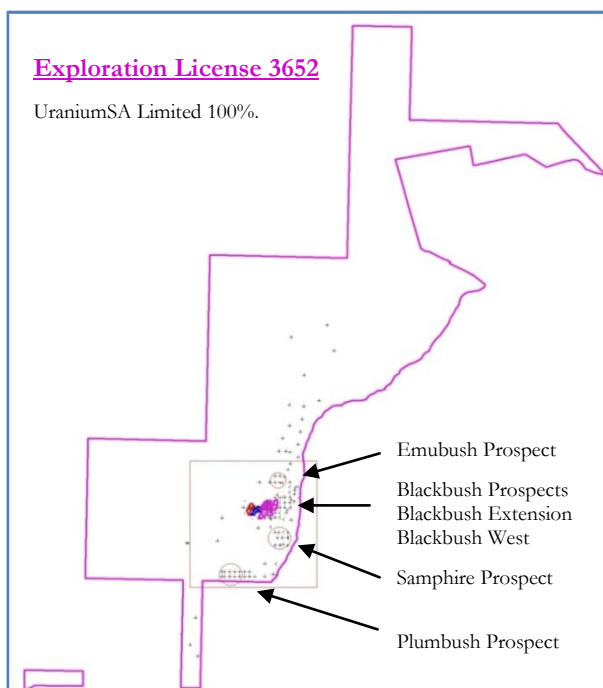


Figure 2. Blackbush Prospects

Black Dots. The initial pattern to drill out the Blackbush Extension and Blackbush West prospects for the estimation of an initial resource estimate

Grey Dots. The second pattern to drill extensions to the Blackbush West mineralisation and infill the Blackbush Prospect drill pattern leading to a new inferred resource estimate

Figure 3. Exploration License 3652 showing the location of significant prospects



Small black crosses indicate the location of UraniumSA drill holes which have been reported in previous ASX releases

View north, scale given by the central 10km by 10km rectangle.

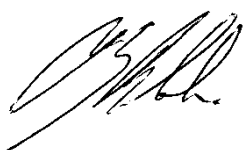
About UraniumSA Ltd



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 within its Mullaquana Project, 20km south of the industrial city of Whyalla on the eastern Eyre Peninsula. The Blackbush Prospect has an Inferred Mineral Resource of 12Mt at 0.02% eU₃O₈ with an estimated 2,700t contained U₃O₈. The Company is working to advance the Blackbush Prospect to an in-situ-recovery field trial as soon as practicable. Continuing drilling to expand the resource base is obtaining intersections significantly above deposit average grade and thickness. The objective is to expand the resource base through incremental addition and new discovery.

Through its own tenure and by Joint Venture the Company has exploration control over what it considers the most prospective portions of the Pirie Basin.



Russel Bluck
Managing Director
UraniumSA Limited

The exploration results mineral resources reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr Russel Bluck, Managing Director, UraniumSA Limited and Ms. Nicole Galloway Warland, Exploration Manager, UraniumSA Limited. Both 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 is reported 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). Mr. Bluck and Ms Galloway Warland consent to the inclusion in the report of matters based on her information in the form and context in which it appears. It should be noted that the abovementioned exploration results are preliminary.