

Friday, 30 July 2010

AUSTRALIAN SECURITIES EXCHANGE
COMPANY ANNOUNCEMENTS PLATFORM
ASX CODE USA

ACTIVITIES REPORT 3 MONTHS ENDED 30th June 2010

OVERVIEW

The infill drilling program at the Blackbush prospects which commenced Monday 7th June was continuing at the end of the reporting period. This drilling is confirming that mineralisation is continuous between the original Blackbush Prospect and the newly discovered Blackbush Extension and Blackbush West mineralisation. Highlights of the results released at the end of the first rotation of drilling within Blackbush West (ASX Tuesday, 13 July 2010) are;

MRM619	accumulated 19.42m @ 1,063 ppm eU ₃ O ₈ (peak grade of 15,310 ppm eU ₃ O ₈ (or 1.531% eU ₃ O ₈))
MRM614	accumulated 26.42m @ 398 ppm eU ₃ O ₈ (peak grade of 1,950 ppm eU ₃ O ₈)
MRM620	accumulated 23.08m @ 383 ppm eU ₃ O ₈ (peak grade of 2,577 ppm eU ₃ O ₈)
MRM613	accumulated 23.90m @ 347 ppm eU ₃ O ₈ (peak grade of 2,350 ppm eU ₃ O ₈)
MRM586	accumulated 11.94m @ 640 ppm eU ₃ O ₈ (peak grade of 1,972 ppm eU ₃ O ₈)
MRM587	accumulated 27.52m @ 261 ppm eU ₃ O ₈ (peak grade of 2,410 ppm eU ₃ O ₈)
MRM599	accumulated 16.07m @ 383 ppm eU ₃ O ₈ (peak grade of 564 ppm eU ₃ O ₈)

At the end of the reporting period the rig had moved onto the construction of hydrogeological monitoring and test wells. On completion of this work which is required for the development of regulatory documentation, the rig will return to complete the drill out of the mineralised envelope.

The Company is undertaking a due diligence audit of its procedures and data in preparation for a new resource estimate for the Blackbush Prospects.

Results for laboratory work on uranium mineralogy and preliminary metallurgical tests will become available over the next few weeks.

The Company has commenced recruiting the professional team which will be required to advance the Blackbush mineralisation towards potential production. As this process proceeds announcements of the key appointments will be made to the market.

Regional drilling continued in the Stellar Resources (SRZ) and Australasia Gold Limited (AAO) Joint Venture areas south of the UraniumSA Mullaquana tenement. SRZ released positive results from UraniumSA drilling in the JV area during the reporting period.

MULLAQUANA PROJECT

The Mullaquana Project lies south of Whyalla in South Australia and contains the Blackbush Prospect of sediment hosted uranium mineralisation which is being evaluated for potential development as an in-situ recovery mining operation. The initial JORC Inferred Mineral Resource for the Blackbush Prospect is 12Mt @ 0.02% U₃O₈ (224 ppm) for an estimated 2,700t contained U₃O₈. Ongoing drilling continues to return intercepts of better than resource average thickness and grade and contiguous areas of mineralisation continue to be discovered.

Work is focussed on resource delineation and upgrade at the Blackbush Prospects and preparation for a Field Leach Trial. Elsewhere in the project and in Joint Venture areas, drilling is continuing to discover more mineralisation and provide the basis for continuing strong growth in the inventory of uranium mineralisation.

BLACKBUSH PROSPECTS

Drilling. Contract drillers Thompson Drilling mobilised Monday 7th June 2010 to the Mullaquana Project and commenced a 11,000m program within the Blackbush, Blackbush Extension and Blackbush West Prospects. At the end of the reporting period Thompson had completed 51 infill drill holes for 3,998m.

Mineralogy. The results of an examination of the mineralogy of mineralised intersections from the core drilling are expected to be available early in the next reporting period.

Metallurgy. Sample materials have been selected and submitted for preliminary metallurgical evaluation. Sighter testing has been completed and bottle roll testing has commenced. Results are expected to be available in the middle of the next reporting period.

Hydrogeology. Information from the first round of hydrogeological monitoring sites has been evaluated. Planning for a second round of round of monitoring sites is well advanced and design criteria for the construction of test wells is underway.

Community engagement. The Company has held initial meetings and public presentation in the Whyalla community to raise awareness of the project. Community consultation is an integral part of the regulatory process that will be completed before any approvals are given to proceed with a field leach trial.

OTHER MULLAQUANA PROSPECTS

No work was carried out on the Plumbush, Emubush and Samphire prospects. Drilling in the JV areas established that the Plumbush mineralisation extends to the southwest.

SRZ JOINT VENTURE

The SRZ Joint Venture covers EL 4242 which is located immediately south of the UraniumSA Plumbush Prospect. UraniumSA is earning a 73% interest in the property. Exploration holes are being drilled at 800m intervals along two east-west oriented traverses 800m apart; with a third east-west traverse will be drilled some kilometres further south. Several intersections of potential economic significance were obtained from drill holes in the northwest of the area adjacent to the UraniumSA Plumbush Prospect and reported to the market by SRZ. Work in the area is continuing.

AAO JOINT VENTURE

The AAO Joint Venture covers EL 3542 which is located to the immediate south and west of the UraniumSA tenure. Regional drilling commenced in the north of the area.

MULLAQUANA – FORWARD WORK PROGRAM TO END SEPTEMBER 2010

Blackbush

1. The present program of 100m infill drilling of the Blackbush Prospect and immediately adjacent Blackbush Extension and Blackbush West mineralisation will be completed and reported.
2. A new resource estimation for the combined Blackbush Prospects will commence once the contracted drilling is completed.
3. Initial mineralogical results will be reported.
4. Initial results of bottle roll metallurgical testing will be reported.
5. Work will continue of the installation of hydrogeological monitoring and test wells.
6. Hydrogeological testing will commence when permitting has been finalised.

Plumbush. The results from drilling in the SRZ JV will be incorporated into the existing Plumbush data and consideration given to extending geophysical surveys further to the south.

SRZ JV, EL4242. Drilling will continue until the requirements of the Joint Venture are satisfied. The results will be evaluated ahead of further work. A reconnaissance drilling program which commenced late in the quarter is continuing.

AAO JV, EL3542. Exploration drilling will continue to follow the prospective sequence to the south.

OTHER SOUTH AUSTRALIAN PROJECTS

1. Cleve Project, eastern Eyre Peninsula

The project is Joint Ventured to Archer Exploration Limited. No work was reported for the period. **Forward work program to end September 2010.** Preparations for a work area clearance are underway.

2. Kingoonya Palaeodrainage System

No work was completed during the reporting period.

Forward work program to end of September 2010. Planning is in progress for an exploration drilling program within the Tarcoola Project area.

CORPORATE

The focus of the Board remains on advancing the Blackbush Prospect towards a field leach trial, and on growing the asset base of uranium mineralisation under relevant JORC classification through continuing exploration of the Mullaquana Project and adjacent Joint Venture areas.

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 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 reported herein, insofar as they relate to mineralisation, are based on information compiled by Ms. Nicole Galloway Warland, Exploration Manager, UraniumSA Limited. Ms Galloway Warland is a Member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposits being considered, and to the activity which she is 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 consents 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.