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UraniumSA TRIPLES RESOURCE FOR SOUTH AUSTRALIAN PROJECT TO 10,400 TONNES OF URANIUM OXIDE

A tripling of its resource estimate to 10,400 tonnes of contained uranium oxide has been announced by UraniumSA Limited (ASX code: "USA") for the Company's flagship Mullaquana Uranium Project, south of Whyalla on South Australia's Eyre Peninsula.

The new JORC Inferred Mineral Resource estimate comprises 38.7 million tonnes of mineralisation estimated to contain 10,400 tonnes of U_3O_8 (equivalent to 22.9 million pounds) at an average grade of 275 ppm eU_3O_8.

The average thickness of mineralised intersections is 11.85 metres with the mineralisation commencing at little more than 50 metres below surface.

It is only the Company's second resource estimate for Mullaquana and follows an extensive round of infill drilling at Mullaquana's Blackbush Prospect.

The enhanced resource announced today compares with the May 2009 maiden JORC Inferred Resource of 12Mt at an average grade of 224 ppm for 2,700t (equivalent to 5.9 million pounds).

"This is the most significant outcome for the project to date and is especially so as the resource envelope contains areas of higher grade material while remaining open in several directions," UraniumSA's Managing Director, Mr Russel Bluck, said today.

"We plan to continue to progressively update the resource estimate with more drilling as areas of higher grade mineralisation have the potential to move to higher resource classifications."

Mr Bluck said the new estimate also helped move Mullaquana towards the commencement of a field leach trial for the in situ recovery of uranium.

"Today's result is in line with our previously flagged exploration objective of having above 20,000t of uranium mineralisation in drilled inventory within the Mullaquana project areas by late this year through to early next year," Mr Bluck said.

“Certainly, the growing inventory of potentially economic mineralisation gives the Board a high level of confidence that the Mullaquana Project will continue to evolve from a greenfields discovery into a uranium asset of Australian and international significance.”

UraniumSA has an objective of maiden production by mid 2012 and is commencing the regulatory process to approve and commence a field trial for in situ recovery of uranium at Blackbush by mid to late 2011.

Today’s new resource estimate is based on results obtained from rotary mud drilling on a 100m to 200m pattern across the Blackbush prospect, discovered by UraniumSA in December, 2007.

A total of 160 drill holes was included in the resource estimate out of a total of 223 drilled rotary mud and core holes.

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