

Monday 17 January 2011

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

Successful Rights Issue raises \$2.86m new capital

UraniumSA Limited (USA) is pleased to announce the successful closure of its 1 for 10 Non-Renounceable Rights Issue raising A\$2.86 million to further explore the Company's prospective uranium tenements southwest of Whyalla on South Australia's Eyre Peninsula.

The Company has today formally allotted 11,446,305 fully paid ordinary shares as a result of the success of the Non-Renounceable Rights Issue. Holding statements will be mailed this Wednesday, 19 January 2011. The Directors reserve the right to place the 1,689,674 shares not applied for by shareholders within 90 days at a price close to the trading price of the Company's shares on the ASX.

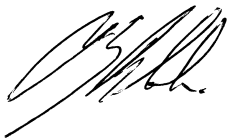
Approximately 63% of UraniumSA shareholders participated in the Rights Issue. Shareholders who applied for more shares than their entitlement will receive the excess application funds within a few days.

The Rights Issue raised a total of \$2,861,576 before costs. Proceeds will be used for further drilling and development at the Blackbush Prospect within the wholly-owned Mullaquana Project, and exploration elsewhere within the project area.

The Company continues to grow the size of the deposit and now has an Inferred Resource of mineralisation at the Blackbush Prospect of 45.5 million tonnes of mineralisation at a grade of 280ppm eU₃O₈ estimated to contain some 12,700 tonnes of U₃O₈ (28.0 million pounds). Test and development work continues to advance the Blackbush Prospect towards production.

Exploration drilling will recommence within the next several weeks at the Plumbush Prospect where the Company expects to delineate a further significant resource.

The Directors thank UraniumSA shareholders for their support of the Rights Issue and their continued confidence and support of the Company at this exciting time in its development.



Russel Bluck
Executive Chairman
UraniumSA Limited

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 45.5Mt at 280ppm eU_3O_8 with an estimated 12,700t contained U_3O_8 . 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
Executive Chairman
UraniumSA Limited

The exploration results mineral resources reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr Russel Bluck an employee of UraniumSA Limited and Member of the Australian Institute of Geoscientists with 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 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.