

Media Release

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**URANIUMSA PASSES 40 MILLION POUND URANIUM MILESTONE
FOR MULLAQUANA PROJECT NEAR WHYALLA IN SA**

The contained uranium resource at a South Australian project which is on schedule to move to an in-situ recovery field trial at the end of this year, has been boosted by 50% to 19,000 tonnes - equivalent to more than 42 million pounds of U₃O₈.

The increase delivers to project developer, UraniumSA Limited (ASX: "USA"), its objective of evolving ahead of the trial an inventory of a minimum 40 million pounds of U₃O₈ for its wholly-owned Mullaquana project, 20 kilometres south of Whyalla on the State's Eyre Peninsula.

The larger resource was generated from the inclusion for the first time of an Inferred Resource estimate of 6,350 tonnes of contained U₃O₈ for a second prospect on Mullaquana called Plumbush.

UraniumSA has already defined an Inferred resource of 12,700 tonnes U₃O₈ on the flagship Blackbush deposit which is set for a trial recovery operation under the Company's schedule to achieve maiden production from late 2012 to early 2013.

"This is a significant milestone for us, it firmly establishes Mullaquana as a significant uranium discovery and underpins our confidence to push forward with our plans to achieve production from the Blackbush deposit," UraniumSA's Managing Director, Mr Russel Bluck, said today.

"We anticipate that continued drilling of Plumbush will generate further resource updates for this prospect during the remainder of calendar 2011," Mr Bluck said.

Plumbush's envelope of mineralisation extends some 2.5km to the southwest of the area hosting the maiden estimated resource and remains open to the north and northeast.

The total inventory of mineralisation for the Mullaquana Project is now:

	Million tonnes mineralisation	Average grade ppm eU ₃ O ₈	Estimated contained tonnes U ₃ O ₈	Estimated contained M lb U ₃ O ₈
Blackbush Prospect	28.0	280	12,700	28.8
Plumbush Prospect	21.8	292	6,350	14.0
Aggregate	49.8	285	19,050	42.8

Mr Bluck said some easing in the build rate of the resource base at Mullaquana could be expected over the rest of the year as the Company focused on the development towards production of the Blackbush deposit.

“We anticipate that over the next six months, we will be in a position to migrate portions of the Blackbush mineralisation from the Inferred to the Indicated category,” he said.

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