

Friday, 29 April 2011

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

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ACTIVITIES REPORT 3 MONTHS ENDED 31ST MARCH 2011

Overview

UraniumSA is advancing its Mullaquana Uranium project located south of Whyalla on the Eyre Peninsula in South Australia with the continued progression of the flagship Blackbush deposit through regulatory and technical milestones towards production, and the continued build of the total resource inventory through ongoing drilling at the Plumbush prospect.

- **Regulatory progress.** On 22nd February 2011 the Company was able to advise the market that it has received written notification from the Federal Government Department of Sustainability, Environment, Water, Population and Communities that the referral decision regarding its proposed in-situ recovery field trial of the Blackbush deposit is “not a controlled action if undertaken in a particular manner”.

This decision is the first step in the regulatory process administered by Commonwealth and State agencies that UraniumSA has to complete to be allowed to commence its proposed in-situ recovery field trial at the Blackbush deposit which is presently scheduled for late 2011.

- **Metallurgical progress.** On 21st March 2011 the Company advised the market that it had identified several routes for the effective recovery of uranium from hypersaline waters. This is a world first achievement and UraniumSA has been approached by third parties interested in participating in and supporting our successful research and development program.

Following in-house work UraniumSA commissioned laboratory test work using saline formation waters on a range of resins from national and international suppliers. Results have been received for five resins to date with uranium loadings up to 30g U/l resin being achieved.

The resins identified and being evaluated are commercially available with broadly known performance characteristics. ANSTO (Australian Nuclear Science and Technology Organisation) are contracted to determine the loading, stripping and impurity transfer characteristics of the candidate resins under our anticipated conditions. They will then test the best performing of them against pregnant leach solutions generated from column leach tests of typical Blackbush mineralisation using sea water. The final screening of candidate resins for fouling and physical integrity in this specific application will be undertaken during the in-situ recovery field trials scheduled for late 2011.

Since the end of the reporting period UraniumSA has been able to announce an increase in the inventory of mineralisation to 42 million pounds of U₃O₈ (8th April 2011), and the purchase of the land containing the Blackbush Deposit (15th April 2011).

Mullaquana Project

The Mullaquana Project lies south of Whyalla on the Eyre Peninsula in South Australia and contains the flagship Blackbush deposit of sediment hosted uranium mineralisation which is being evaluated for potential development as an in-situ recovery mining operation.

BLACKBUSH DEPOSIT

Resources. The Inferred Resource at Blackbush stands at 45.5 million tonnes of mineralisation at a grade of 280 ppm eU₃O₈ for an estimated 12,700 tonnes of U₃O₈ or ~28 million pounds. Drilling continued in the reporting period with 73 holes completed for 5,551m in infill drilling and hydrogeological test patterns.

Regulatory Process. The first stage of the regulatory process was completed during the reporting period with the receipt of written notification from the Federal Government Department of Sustainability, Environment, Water, Population and Communities that the referral decision regarding its proposed in-situ recovery field trial of the Blackbush deposit is “not a controlled action if undertaken in a particular manner”.

Work has commenced on the development of documentation in support of an application for a Retention Lease from the South Australian Government to cover the conduct of the proposed field trial. Community engagement which has been in progress for over a year is now being stepped up and a public forum is being organised in Whyalla during May 2011.

Hydrogeology. Drilling of bores for groundwater circulation trials is underway and will be completed early in the next reporting period.

Metallurgy. The metallurgical results are outlined above.

Environmental. Documentation from the first and second annual spring-time environmental baseline survey is being compiled and reviewed ahead of community information sessions.

Radiation baseline survey. Material from the baseline survey of the natural radiation in the area is being compiled for the community information sessions.

Other Mullaquana prospects

In the reporting period 26% of working days were lost to either weather or wet ground conditions. This is a continuation of the pattern which established in the last reporting period of 2010.

The systematic drill out of the Plumbush prospect continued with 50 holes completed for 4,377m.

A maiden Inferred Resource for Plumbush was announced to ASX 8th April 2011 after the end of this quarter.

Joint Venture

Drilling of the Plumbush prospect was continuing south into the Stellar Resources Limited (ASX code SRZ) Joint Venture area; however no holes were completed in the JV ground during the present quarter.

Land access negotiations are underway for exploration drilling in the western portion of the Australasia Consolidated Limited (ASX code AAO) Joint Venture area.

Mullaquana – Forward work program to end March 2011

Blackbush deposit: The focus will be on advancing the Blackbush deposit to a field trial. The major work will be continue to be in analytical, metallurgical, hydrogeological projects as information is developed to support regulatory documentation and economic appraisals.

Plumbush prospect: A final round of exploration drilling was completed in the first week of the June quarter.

A maiden Inferred Resource for Plumbush was announced to ASX 8th April 2011 after the end of this quarter.

Joint Venture: As exploration drilling of the Plumbush prospect extends south work will move into the SRZ JV area.

Other South Australian Projects

CLEVE PROJECT, EASTERN EYRE PENINSULA (SA)

During this period our Joint Venture partners Archer Exploration Limited (ASX code AXE) continued their iron ore exploration work in the area. UraniumSA did not complete any uranium exploration during the period.

TARCOOLA PROJECT, KINGOONYA PALAEODRAINAGE SYSTEM (SA)

A procedure for exploration work clearances has been negotiated. The required field visits have not been scheduled. Contracts for field work will have to be re-negotiated once clearances have been completed.

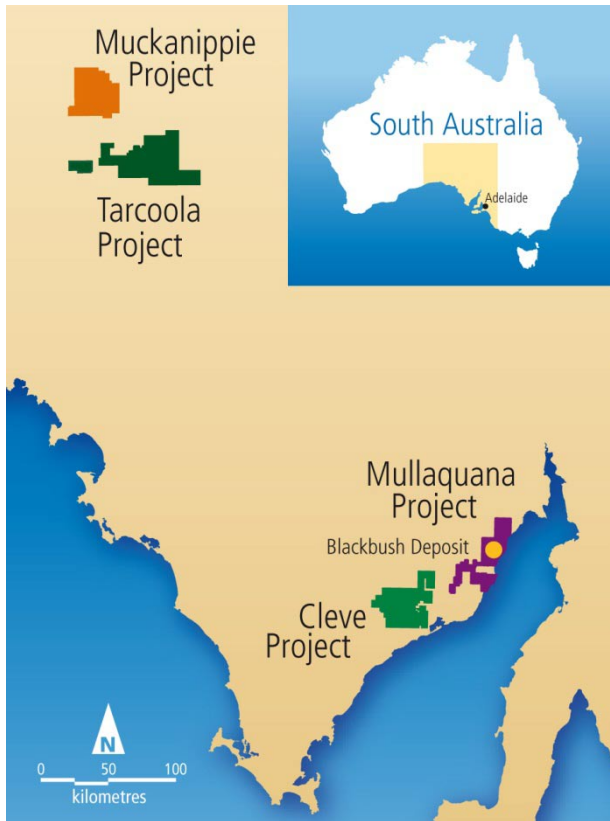
Corporate

The focus of the Board remains on advancing the Blackbush deposit towards a field 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.

NOTE ON TERMINOLOGY

The naming convention adopted by UraniumSA is to use established geographic place names to identify its significant work areas as “projects”. Within these, areas of specific interest which have positive indications of potentially significant mineralisation are named based on the locally dominant vegetation and called “prospects”. Once a prospect has been sufficiently explored by drilling that an Inferred Resource is calculated and announced to market it becomes a “deposit”. As work progresses and production is achieved it becomes a “mine”. The words project, prospect, deposit and mine are common nouns not proper nouns and are not capitalised.

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.

Following announcements made to ASX in the June quarter 2011 the inventory of uranium mineralisation in the Mullaquana project within the Blackbush and Plumbush deposits is some 19,000 tonnes of U_3O_8 (equivalent to approximately 42 million pounds).

The Blackbush Deposit is being advanced towards the commencement of a field trial for an in-situ recovery operation with a production objective of late 2012 to early 2013.

Continued drilling of the Plumbush Deposit will grow the resource base and the updated estimates will be released during 2011.

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 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.