

Wednesday, 22 June 2011

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

## **ISR CIRCULATION TRIAL**

### **Mullaquana Uranium Project Eyre Peninsula, South Australia**

UraniumSA advises that it has completed the construction of a drill pattern at the Blackbush deposit which will be used to confirm the circulation characteristics of ground water in the mineralised horizons ahead of its proposed in-situ recovery (ISR) proof-of-concept field trial. Attached Figure 1.

A “seven-spot” pattern of wells has been constructed comprising six outer injection holes spaced at 15m intervals surrounding a central extraction well. All of the wells have been drilled to intersect the same sand horizons and have been completed with 2.5m to 3.0m long screens. Thin clay and lignite horizons bound the screened section and extend between the holes; it is anticipated that these will provide a horizontal control to influence fluid flow between the injection and extraction wells.

The existing formation waters will be circulated within the pattern with tracers added to enable changes to be monitored. The proposed work has been reviewed by the relevant regulators. A contract is presently being negotiated with a specialist groundwater contracting organisation and work is scheduled to commence mid-August 2011.

Information from the circulation trial will be used to determine design criteria for the field trial facility which is to be constructed at the Blackbush deposit. The purpose of the field trial is to provide a proof-of-concept for the production of yellow-cake by in-situ recovery (ISR).

The present schedule for the development of the Blackbush deposit to production is:

- 3<sup>rd</sup> Qtr. 2011 – submission of application for Retention Lease for the ISR field trial.
- 4<sup>th</sup> Qtr. 2011 - issue of Retention Lease for the ISR field trial.
- 1<sup>st</sup> Qtr. 2012 – commencement of the ISR field trial.
- 1<sup>st</sup> to 2<sup>nd</sup> Qtr. 2012 – run the ISR field trial for resource upgrade and mine design.
- 2<sup>nd</sup> Qtr. to 3<sup>rd</sup> Qtr. 2012 – submission of mining proposal.
- 3<sup>rd</sup> Qtr. to 4<sup>th</sup> Qtr. 2012 – commencement of site works.
- 4<sup>th</sup> Qtr. 2012 to 1<sup>st</sup> Qtr. 2013 – first 100tpa production module.
- 2<sup>nd</sup> Qtr. to 3<sup>rd</sup> Qtr. 2013 – production ramp up to 400tpa.

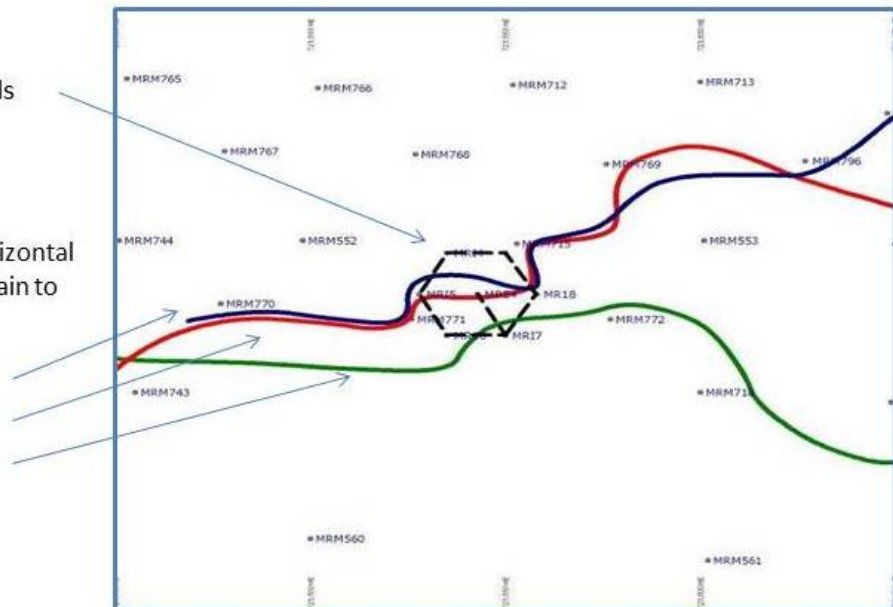
## Blackbush deposit

### Location and layout of circulation trial drill pattern

7-spot pattern for circulation trials  
(15m separation)

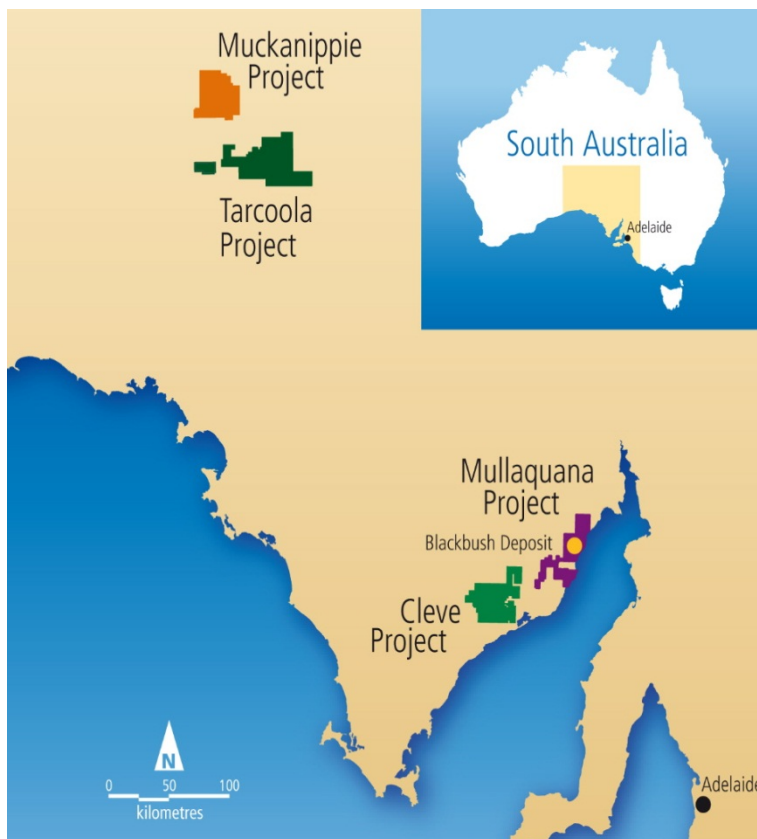
multiple vertically stacked  
roll-front traces separated by horizontal  
aquatards. Other roll-fronts remain to  
be delineated

Zone 1 55.0m to 57.0m  
Zone 2 57.1m to 58.5m  
Zone 3 59.0 to 60.20m  
*fronts have been mapped,  
volumes and grades not yet  
estimated*



view north, scene 400m by 400m

## 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.

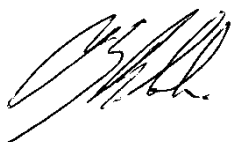
The Company has discovered sediment hosted uranium mineralisation within its Mullaquana Project, 20km south of the industrial city of Whyalla on the eastern Eyre Peninsula in South Australia.

The inventory of sediment-hosted uranium mineralisation in the Blackbush and Plumbush deposits within the Mullaquana project 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 updated estimates will be released during 2011.

The Company has recently discovered significant thickness and grades of uranium mineralisation in the granite basement which underlies the sediment-hosted mineralisation at Blackbush. Laboratory studies to understand the genesis of this mineralisation and to develop exploration targeting criteria are underway.

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 and mineral resources reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr Russel Bluck, Managing Director, UraniumSA Limited who 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 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.*