

Thursday, 11th August 2011

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

RETENTION LEASE APPLICATION

Blackbush deposit Mullaquana uranium project Eyre Peninsula, South Australia

UraniumSA advises that it has lodged an application for a Retention Lease (a type of mining tenement) over the Blackbush deposit within its wholly owned Mullaquana uranium project located south of Whyalla on South Australia's Eyre Peninsula.

The purpose of the lease is to enable UraniumSA to undertake an In-Situ Recovery Field Trial (ISR-FT) to confirm the results of its metallurgical test work and establish design parameters for future uranium yellowcake production.

Subject to the completion of all the processes associated with the application, UraniumSA believes that the lease could be issued by December 2011.

The ISR-FT which is proposed to be conducted under the Retention Lease will provide key design criteria for the development of the Blackbush deposit towards operation as an in-situ recovery mine. The Blackbush deposit is being evaluated as the first producing area in what has been shown to be a regionally extensive area of sedimentary hosted uranium mineralisation. Current JORC indicated resources within the Mullaquana project stand at 42Mlbs U₃O₈ (19,000 tonnes). ASX 14th April 2011.

On Friday 5th August 2011 UraniumSA lodged, with the South Australian Department of Primary Industries and Resources (PIRSA), a proposal for a 225 hectare Retention Lease on Mineral Claim 4280 within Exploration Licence 3652. The proposal will be assessed by the State Government and made available for a period of public exhibition. Further documentation will be required before final approval to undertake the trial can be granted.

The proposal documentation comprises more than 800 pages and contains a full description of the ISR-FT planned activities, project risk assessment, environmental

impacts and their remediation, results of public consultation and a full suite of technical data.

In January 2011, UraniumSA received from the Federal Government Department of Sustainability, Environment, Water, Population and Communities a decision that the proposed trial was “not a controlled action if undertaken in a particular manner” (ASX 22nd February 2011). The effect of the decision is that this component of the project will proceed under the South Australian regulatory regime without referral back to the Commonwealth.

The proposed ISR-FT will be located within the Blackbush deposit and will be some 3.5 km west from the coast of Spencer Gulf.

Uranium mineralisation is located within an unconsolidated channel sand sequence which lies approximately 50m below the surface and is overlain by 40m of impervious clays and marls. The Retention Lease area is wholly contained within land which UraniumSA has contracted to purchase.

Process and documentation

The application document will be made available on-line by the State Government during the period of public exhibition. When UraniumSA is advised by the State Government of the commencement of this public exhibition period the market will be advised and a copy of the document posted to our web site.

It is anticipated that the State Government approvals process will take between four and six months.

Contacts

URANIUMSA LIMITED

Technical
Alistair Muir
General Manager Mullaquana

Corporate
Russel Bluck
Executive Chairman

Tel: (08) 8132 0577

Fax: (08) 8132 0766

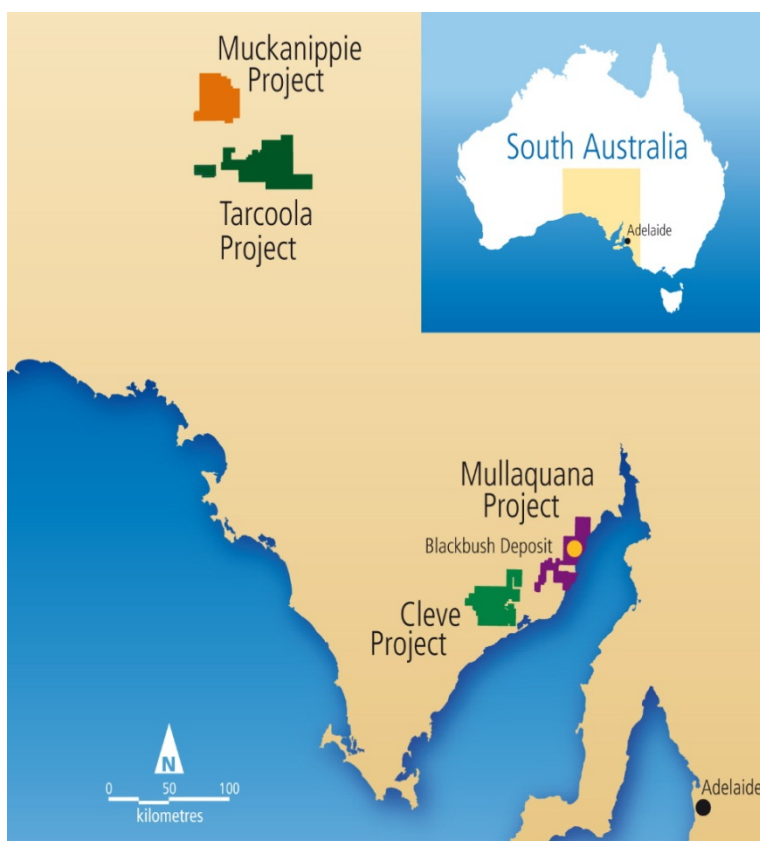
FIELD PUBLIC RELATIONS

Media
Kevin Skinner

Tel: (08) 8234 9555

Fax: (08) 8234 9566

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.

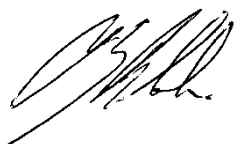
The Company has discovered sediment hosted uranium mineralisation within its Mullaquana Project, 20km south of the industrial city of Whyalla on the eastern Eyre Peninsula in South Australia.

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.

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.