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AUSTRALIAN SECURITIES EXCHANGE LIMITED
COMPANY ANNOUNCEMENT PLATFORM
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CHAIRMAN'S ADDRESS – AGM 2011

When I assumed the Executive Chairman's position from Chairman Tom Phillips at last year's AGM we were positioning as a Board to achieve a series of milestones in discovery, and technical and regulatory achievements as a precursor to the Company making the transition from explorer and developer into a new Australian uranium producer. It is my pleasure to report that we have been very successful in achieving each of these milestones and are continuing our progression towards maiden production. However, the pace and opportunity for our corporate change objectives has had to be adjusted to the circumstances of the financial uncertainties that have arisen throughout 2011. In the same manner that we managed our way through the 2009 Global Financial Crisis and grew shareholder value, we are working to protect what we have already created and to ensure that we can continue to grow shareholder value.

As part of the positioning for future corporate change, an updated Constitution is proposed for adoption at this meeting of shareholders. This Constitution, if adopted, will bring us into conformity with current practice for companies operating in our business sector. In addition to this public change, the Board has a continuing process of scoping the numerous other changes that are going to be required to optimise the performance of the Company into the future and to grow and protect shareholder value. The rate of corporate and generational change has been slowed by external circumstance, but it has not stopped.

The Board has completed a re-organisation of business structures within the Company and our major asset, the Mullaquana uranium discovery near Whyalla, is now within its own operating entity, Samphire Uranium Pty Ltd. This has been initiated to separate and focus people and resources on the increasingly specialised activities involved in the development of the Blackbush uranium deposit, and to continue the process of integrating our operations into the Whyalla community.

In Whyalla during 2010 and into 2011 our staff have been engaged in a broad range of informal meeting, talks to service organisations and community groups, culminating with a structured community consultation process as part of developing the application for a Retention Lease for an in-situ recovery field trail at the Blackbush deposit. It is clear that while the community welcomes the employment opportunity provided by a new uranium industry, it also requires open, expert and unbiased information about the real, potential and perceived risks of uranium mining. At the core of the community engagement process is the belief that our obligation is to provide clear and relevant information – we appear to have been able to achieve that to date, and are committed to continuing to do so as the project advances.

Over the past year we have successfully driven technical development of the Samphire project towards uranium yellowcake production from the Blackbush deposit by;

- Building the total of Inferred Resources across the Samphire project to ~42Mlb U_3O_8 in the Blackbush and Plumbush deposits. This has been an outstanding achievement, firmly establishing the significance of the discovery and providing the critical mass required to confidently move to convert exploration success into saleable yellowcake product.

- Completing a full cycle proof-of-concept for the extraction of uranium in saline systems with the completion of work confirming acid extraction of uranium in sea water, loading uranium from sea water lixiviant to resins, stripping uranium from the resins, and precipitating a high grade uranium yellowcake product. Our

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innovation has been to identify products from established resin manufactures, and to then retain ANSTO to run test work programs to confirm their performance in our specific application extracting uranium from saline solutions. This process-focussed approach has delivered outstanding world-first results for the uranium industry and mitigated the risks that often accompany new technologies. Resins which are emerging as the best performers are able to be used in industry standard equipment, use industry standard processes, and deliver outstanding results.

- Demonstrating that the Company can successfully work through the regulatory and administrative regime in South Australia and obtain licences for production. Uranium as a commodity has unique political and social dimensions and it has been important to show investors that in South Australia there are no insurmountable regulatory hurdles to production. Over the year, we have successfully progressed through Commonwealth and State social, environmental, technical and regulatory processes and are presently awaiting the processing of an application for a Retention Lease to enable us to move forward on the ISR field trial.

- Producing indicative Financial Models for an ISR operation at the Blackbush deposit which demonstrate that such an operation would deliver robust returns on invested capital. The models use a purpose built operating model, populated by real figures from the evaluation of the Blackbush deposit and from independent suppliers, informed by experience and inputs from existing ISR uranium operations, informally checked for structure and logic by third parties, and subject to rigorous internal verification of inputs, assumptions and internal functionality.

Together, these four headline events significantly lower the risk profile of Blackbush, and it is now firmly in the development pipeline towards achieving near-term maiden production of yellowcake.

UraniumSA continues to be entirely focussed on uranium in South Australia. Our business continues to be delivered by a very small core group of enthusiastic and highly capable employees, each of whom during the year has made their own individual contributions to the success of UraniumSA. At the start of the year we were a successful uranium explorer, during the year we achieved world-class developments in uranium metallurgy, undertook the geotechnical work that converted a discovery into a potential mine, successfully navigated an intense and complex approvals process by open and transparent dealings with the community and regulators, and by the end of the year were able to wrap it all up in a compellingly attractive technical and financial package. Good assets, strong processes, great people.

During the year the global uranium industry has been impacted by the Japanese tsunami, and the debate surrounding coal seam methane projects has flowed through into the mining industry at large.

The failure of the Fukushima nuclear plants was an industrial catastrophe within the context of a major natural disaster. The Fukushima failures, while not leading to loss of life, have caused widespread distress across Japan. Given that the Japanese are the only peoples to ever have been subject to nuclear bombing these reactions are understandable and justified, and will have long term emotional consequences for the people directly affected.

In the immediate aftermath of Fukushima all nuclear power programs were subject to intense review, and an isolated few countries such as Germany, Italy and Switzerland, moved to shut down their generating capacity. Now, several months after the event and as the fog of disinformation clears , it is again clear nuclear power generation is safe and made even safer by the lessons of Fukushima, and that it remains the only established technology able to deliver low-carbon energy in the consumption patterns required by large urbanised populations.

There is an emerging international political consensus that societies must lower their carbon impacts. For this to be achieved there will have to emerge an equivalent political commitment to real technologies that exist now and deliver solutions now. Nuclear power is the only proven technology which is able to deliver energy at the levels required to sustain and grow industry and urban populations – it has a secure future.

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Before Fukushima the international spot price of uranium was in a down-trend in the aftermath of a speculative bubble and was moving towards a supply/demand balance. Spot prices spiked sharply down following Fukushima but recovered quickly to settle into a continuation of the decline towards their present support level in the US$50 to $55 range. During this time the price for contracted supply also fell to stabilise in the mid to low US$60 range. It is notable that over the last several weeks while the prices of the major traded base metals has fluctuated widely, the uranium price has remained within its stable trading range. This relative stability may be a function of the uranium market; the product is purchased by end users who have huge fixed capital investments in power generation capacity which they must be able to operate with minimum risk. The risk-adverse characteristic of the major customers is a contributor to the anomalous situation in the uranium market where the spot price is significantly below the long term contract price. This is not going to change, and the uranium market will continue to have a sound future structure.

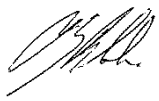
In South Australia, minerals are owned by the State which licences other parties to develop who pay royalties to the State. The political considerations which have influenced the body of law and regulation governing these licences have focussed on delivering benefit to the community as a whole. This has given rise to a considered process of obligations and rights which endeavours to balance the interests of individual participants within the context of a politically decided view of the interest of the State.

All our operations occur in country areas in South Australia, and while minerals are owned and leased by the Crown, it is the pastoralists and farmers who live and work on the land who are most impacted by exploration. There is recognition in country South Australia of the contributions which mining can make to local areas and communities. As we explore and advance our projects we endeavour to work with and respect the pastoral stakeholders and country communities where we operate. In the areas where we work, we also endeavour to understand and respect the ongoing connection of Aboriginal peoples to land.

These are not always straight forward or easy tasks, but they are real and serious obligations which we endeavour to discharge ethically and responsibly.

I look forward to reporting ongoing advances to our exploration and development projects during the year. Over the years we have achieved a reasonable performance for our shares in both advantageous and adverse market conditions – we expect this to continue. As an emerging uranium miner we have been successful and have generated an asset of significant value which now underpins the market value of our shares. As a development and emerging mining company we anticipate being able to deliver an equally capable share price performance, hopefully with more stability under pinned by production. As a corporate entity, everything we do is done professionally and with integrity and with our shareholders' best interests in mind.

Thank you,



Russel Bluck
Chairman
UraniumSA Limited

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