

Friday, 21st October 2011

Australian Securities Exchange
Company Announcements Platform
ASX Code: USA

PROGRESS REPORT

Blackbush deposit, Samphire uranium project Eyre Peninsula, South Australia

UraniumSA advises the following progress with technical and regulatory matters associated with the development of the Blackbush deposit in the Samphire uranium project, located within Exploration Licence 3652, south of Whyalla on South Australia's Eyre Peninsula.

- **Circulation Trial.** Field operations for the well field circulation trial at the Blackbush deposit have commenced. An initial program of development and well integrity testing has been followed by a first period of pumping and data collection. A second phase of pumping and data collection is scheduled to commence this week to complete this round of field operations. Initial assessment indicates good control of circulation and recovery has been achieved. The work will be completed and reported through ASX late November 2011.
- **Metallurgy.** The second column leach trial at the Australian Nuclear Science and Technology Organisation laboratories (ANSTO) testing the closed circuit circulation of lixiviant has been completed. The operation of the trial and the results obtained were as anticipated and consistent with the results from the first trial (ASX Monday 29th August 2011). Results are being assessed and are expected to be reported through ASX November 2011.

The uranium loading characteristics for nine ion exchange resins have now been determined by ANSTO. Four of the resins have been selected for elution and precipitation test work. The best performing of these resins will be used in the planned field leach trial. Results will be reported as they become available.

- **Tenure.** The closing date for public comment on the Samphire Uranium Pty Ltd Retention Lease application was 13th October 2011. PIRSA has provided a two week time extension to enable the completion of late submissions.

UraniumSA Limited

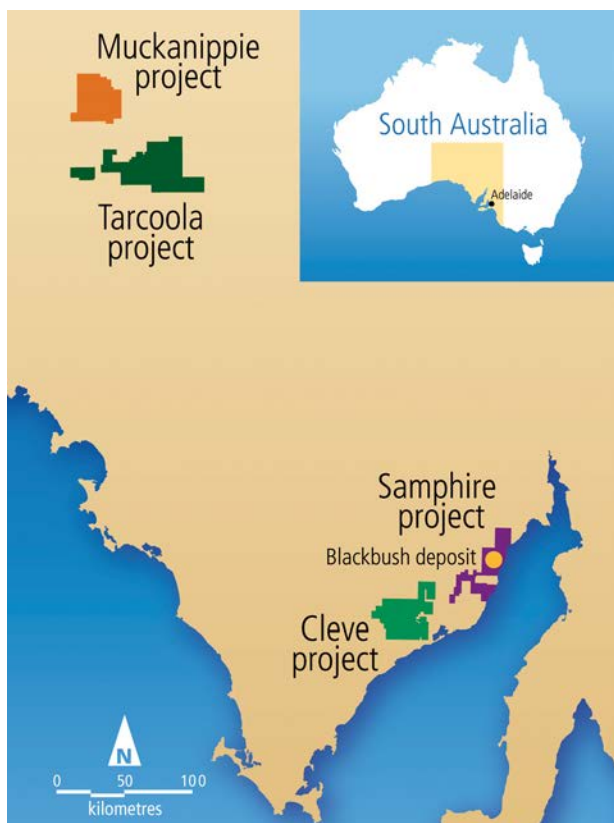
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About UraniumSA Limited



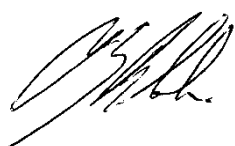
UraniumSA is an Adelaide based uranium only explorer specialising in sediment hosted styles of uranium mineralisation within a substantial portfolio of properties in South Australia's Gawler Craton.

The Company has discovered sediment hosted uranium mineralisation within Exploration Licence 3652, Samphire (previously Mullaquana), which is located 20km south of the industrial city of Whyalla on the eastern Eyre Peninsula in South Australia. The Exploration Licence is owned and operated by Samphire Uranium Pty Ltd, a wholly owned subsidiary of UraniumSA Limited.

The inventory of sediment-hosted uranium mineralisation in the Blackbush and Plumbush deposits within the Samphire project (previously the Mullaquana project) is some 19,000 tonnes of U_3O_8 (equivalent to approximately 42 million pounds).

Application has been made for a Retention Lease for an in-situ recovery field trial at the Blackbush deposit and work is being scheduled to commence on the ground in early 2012. Subject to the results of the field trial and further tenure application, first production is anticipated for 2013.

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 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.