

Wednesday, 15 February 2012

Australian Securities Exchange
Company Announcements Platform
ASX Code: USA

COMMENCEMENT OF DRILLING Basement targets, Blackbush deposit

SAMPHIRE URANIUM PROJECT

UraniumSA Limited advises that drill testing of uranium mineralisation in granite basement below the Blackbush deposit (28 Mlb U₃O₈ Inferred Resource in sediments above basement) has commenced. The Blackbush deposit is within the Samphire project which has a total inventory of 42 Mlb in resources and is located 20km south of Whyalla on the Eyre Peninsula in South Australia.

The drilling contract is for an initial 2,000m of open hole drilling, followed by 1,000m of pre-collar and core drilling. Coughlan Drilling Pty Ltd has been contracted for the work which is scheduled for completion by the end of February 2012.

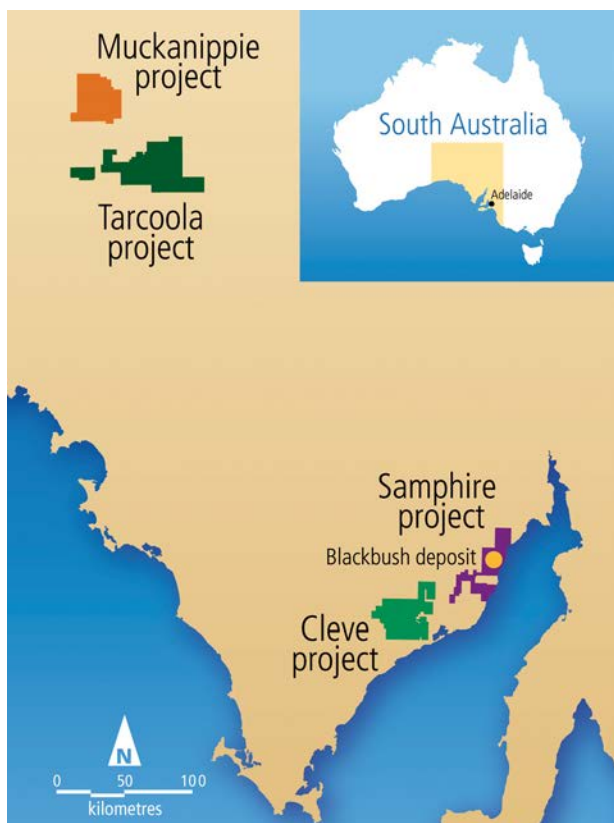
Holes will be logged by Geoscience Associates Australia Pty Ltd with a suite of down-hole tools run, including PFN (prompt fission neutron).

The objectives of the drilling are to:

1. Test models for uranium mineralisation hosted in the granite basement below the sediment-hosted Blackbush deposit Inferred Resource.
 - a) The initial open hole drilling will investigate the location, extent and shape of the mineralisation in the granite basement.
 - b) The subsequent core drilling will target mineralised zones in the granite basement identified by the open hole drilling.
2. All of the drill holes will pass through the Eocene sediments overlying the granite basement. Core of the uranium mineralised sediments which comprise the known Blackbush deposit resource will also be taken. These cored materials will be used to:
 - a) Continue the metallurgical development work on the extraction of uranium from sediments in both ISR and conventional mining circuits.
 - b) Characterise the mechanical properties of the materials for estimation of their conventional mining characteristics.

Results will be released to ASX as they are compiled.

About UraniumSA Limited



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

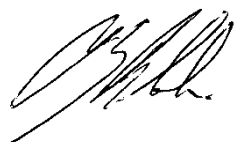
The Company has discovered uranium mineralisation within Exploration Licence 3652, Samphire, which is located 20km south of the industrial city of Whyalla on the eastern Eyre Peninsula in South Australia. The exploration Licence is owned and operated by Samphire Uranium Pty Ltd, a wholly owned subsidiary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

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

The recent discovery of uranium in granite basement below the known sediment hosted uranium below the established Blackbush deposit resource of 28 Mlb U_3O_8 provides significant new exploration and development opportunities for the project.

An evaluation of mining methods to optimise the recovery of uranium from the identified resources of mineralisation has commenced. This will include consideration of open cut options for the sediment-hosted and granite basement hosted uranium mineralisation in addition to an ongoing evaluation of in-situ recovery operations. Application has been made for a Retention Lease for an in-situ recovery field trial at the Blackbush deposit.

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.