



UraniumSA makes 'discovery of a lifetime'

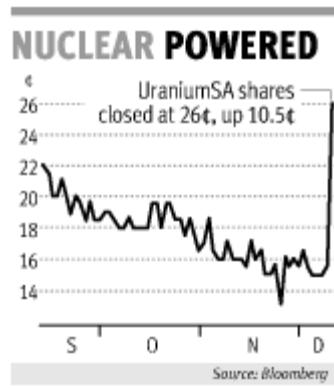
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Resources

MINING minnow UraniumSA believes it has made the discovery of a lifetime after stumbling on an in situ leachable uranium deposit on the remote Eyre Peninsula in South Australia.

Shares in the \$10 million company jumped 67 per cent after it said it had found the "unusual" deposit near Whyalla with grades averaging about 0.015 per cent.

While the grades were not high compared with more favoured domestic deposits of yellowcake, UraniumSA said the shallow, flat bed-style deposit made it suitable for leaching without any extraction.

In a bonus, the company believed there was a good chance the prospective area could extend 12km to the north and 5km to the south of an area already drilled by the company, just



down the coast from Whyalla. Intercepts in the two main discovery holes returned mineralisation as wide as 1.92m.

"While the geology of the system is largely unknown, the lateral continuity of the host rocks and uranium anomalism is unusual and highly encouraging for future exploration," the company said in a statement to the

Australian Securities Exchange.

In situ uranium leaching in itself is not uncommon in Australia, with the practice occurring at the Beverley Uranium Mine in northern South Australia, one of only three operating Australian uranium mines.

Normal uranium leaching involves changing the acidity of the groundwater to expose the uranium. Groundwater at the deposit was so saline that it could burn skin, UraniumSA managing director Russel Bluck said.

What UraniumSA believes is unique is the style of uranium, which occurs as an old beach-front type of deposit.

"In situ leaching is a very efficient way of getting the uranium out of the ground with minimal environmental impact," Mr Bluck said.

"At the moment we are getting very uniform, very predictable mineralisation. It appears, and this is very early days yet,

that we may well be dealing with constant mineralisation."

Australian Uranium Association information director Ian Hore-Lacey said that UraniumSA should be "encouraged in its endeavours".

"This is low-grade mineralisation and I am not clear how it differs geologically from other such," Mr Hore-Lacey said.

"For any prospect like this, a lot of holes must be drilled and a lot of careful analysis needs to be done before anyone can say that there is a deposit which is meaningfully known, let alone economic."

UraniumSA will pursue in-fill drilling to look for "high-grade developments" within the current exploration area and continue exploration drilling with holes about 1km apart.

UraniumSA shares gained 10.5c to 26c yesterday.