



Cover Story



UraniumSA Optimises its First-Mover Advantage in the District Surrounding its New Uranium Discovery at the Mullaquana Project - Demonstrating the Company's Strategic Position and Solid Business Plan

UraniumSA is an Adelaide-based uranium-only explorer that has strategically positioned itself as a company focused on a single commodity - sediment-hosted and unconformity styles of uranium mineralization - within the single regulatory system of South Australia, and within the single geological region of the Gawler Craton where it has a substantial portfolio of properties.

The value in this tightly focused business plan has been reflected by the Company's success within the first year of its listing on the ASX.

Firstly, this success was reflected by the UraniumSA's discovery of sediment-hosted uranium mineralization in its 100% owned Mullaquana project in March 2008. This project is located on the Eastern Eyre Peninsula, a region with a stable and skilled workforce and extensive, well established infrastructure.

"This discovery unexpectedly shifted the focus for our future," Mr. Russel Bluck, UraniumSA's Managing Director explained to the Australian Investor, "We believed that this discovery represented a new uranium district, and quickly realized that it extended to the south of our tenement into an area controlled by three other parties.

"We have now optimized our first-mover advantage in this new uranium district by consolidating control of the southern extensions of the prospective stratigraphy through Joint Venture."

UraniumSA has an agreement in principle to Joint Venture with Australasia Gold Limited, Rex Minerals Limited and Stellar Resources Limited over tenements which these companies own covering the southern extensions of the host sequence to the Mullaquana discovery.

The terms of all three agreements will provide for UraniumSA to earn a 70% interest in the sequences that are host to the Mullaquana style uranium mineralization, with each of the JV partners retaining a 30% free carried interest and retaining a 100% interest in all mineralization in bedrock (which is their primary exploration focus).

"To enable us to maintain exploration momentum at Mullaquana we have acquired a second drill rig specifically to work on this project," Mr. Bluck told the Australian Investor, "We anticipate that this drill rig will be on site to continue the drill out of the discover by mid June."

The Mullaquana discovery was an unexpected bonus for UraniumSA as it has always regarded its tenements within the Kingoonya Palaeodrainage System as the most prospective for a new discovery. This region contains sediment hosted uranium mineralization at the Warrior and Elbara prospects (outside the Company's tenure) and at the Peela Swamp, Bradman Outstation and Blackoak Bore prospects.

"A significant amount of careful consideration went into the acquisition of each of our

tenements for the Prospectus," Mr. Bluck informed the Australian Investor, "and as a result we have two tight clusters of projects in highly prospective regions of South Australia. We have not sought new tenure since listing and are unlikely to do so as there is so much exploration and discovery potential in the ground we already have."

According to Mr. Bluck, one of UraniumSA's key exploration advantages is that it owns and operates its own exploration plant and crews. The Company already has one drill plant in the field - comprising a Mayhew 1000 rotary mud drill rig and ancillary water truck, service truck, backhoe and down-hole logging truck - and has purchased the rig and equipment to put together a second.

"This gives us control of the scheduling of programs enabling continuous drilling of our prospects, and as our people operate the plant we are able to maintain the integrity of results and control the numerous variables that influence the quality, reliability and reproducibility of the data generated," Mr. Bluck commented.

Another important attribute of UraniumSA that is expected to drive its future growth and development is the composition of its board.

"We have a very experienced board that provides access to a broad range of technical, business, corporate and governance skills and that enables us to remain focused on the Companies Business Plan and Strategy," Mr. Bluck told the Australian Investor. "We are fortunate to have this range of skills available to us and it makes a significant contribution to our ability to evolve and succeed as a uranium explorer."

This board is committed to tight technical and financial controls and is focused on delivering exploration in a cost effective manner. Since listing, it has always operated at its Prospectus budgeted burn rate and achieved all of its projected bench marks. The Mullaquana discovery has come well ahead of schedule, and provides an enormous opportunity to accelerate the growth of the company.

Mr. Bluck concluded, "Since our listing we have demonstrated that UraniumSA is a capable and cost-effective organisation that is able to deliver continuous exploration results and discover uranium mineralization. We intend to continue to utilise our corporate, technical and operating strengths to maximize the potential of the opportunities that are presented to us."

April 2008

Article by The Australian Investor <http://www.australianinvestor.com.au/>