

AGM to decide \$4m Mullaquana funding

RUSSELL EMMERSON

URANIUM SA has raised \$4 million to fund its Mullaquana interests, but the bulk of the placement hinges on shareholder approval at next month's annual general meeting.

The company issued 20 million shares at 20c each - a 23 per cent discount on last night's closing price of 26c - to cash up its Mullaquana tenement exploration and drilling, and to kick off exploration of its joint venture with Stellar Resources. But the placement will also serve to shore up its funding pipeline, the company said.

"The funds raised by the placement will enable the company to move forward strongly and with confidence in planning these works, in letting con-

tracts for jobs which required specialised equipment or expertise, and in continuing to expand its own operating capacity," it said in a statement.

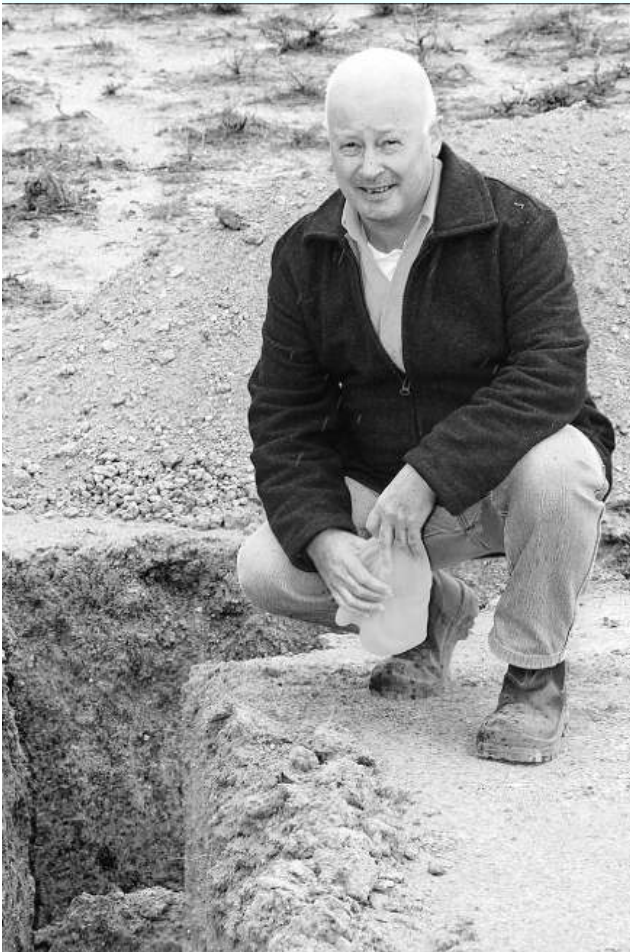
"The placement currently being undertaken ... is very important in the development of the shareholder base of the company. It represents the first step in the institutionalisation of the share register, providing an entry point for leading investment institutions that will be important sources of capital as the company's projects progress to the point of requiring mine development funding."

Uranium SA managing director Russel Bluck talked up the company's prospects in August, describing its

Mullaquana and Blackbush projects as part of a larger uranium district comparable to the renowned Curnamona area. He gave the company a two-year deadline in which to have an operational in-situ leach mine on its Mullaquana tenement.

But the \$4 million fundraising is essential to realising the plan.

The company spent more than \$1.2 million on exploration expenses last financial year, relying on a \$1.5 million capital raising to build up the company's cash reserves. It finished the year with \$11,048 in the bank as part of its \$2.1 million cash reserves.



UPBEAT: Uranium SA managing director Russel Bluck