



Trial mining soon on Eyre Peninsula

UraniumSA Ltd has set a target of mid-2010 to have ready the first draft documentation seeking Government approval for a uranium ISR field leach trial on South Australia's Eyre Peninsula.

This would clear the way to begin work in about the middle of 2011, managing director Russell Bluck told **Paydirt's** Uranium Conference delegates.

Work on documentation for the trial, to take place at the Blackbush prospect within the main Mullaquana project south-west of Whyalla, has begun.

"Three core holes have been drilled to provide samples for laboratory determinations and initial information on Blackbush's mineralogy, porosity, permeability and metallurgy should be available in the coming June quarter," Bluck said.

"We are now monitoring a series of hydrogeological wells surrounding the mineralised area at Blackbush," he said. Seven sites, into which 17 holes were drilled, were being monitored and sampled to establish baseline data.

"Initial flora and fauna baseline studies have also been completed so our objective is to have the first draft documentation for an in-situ



Russell Bluck

recovery (ISR) field leach trial prepared by mid this year."

In parallel with the field leach trial application, UraniumSA is continuing to drill out Blackbush to upgrade its resource of 12mt for 2,700t of contained uranium oxide. The company has an exploration target of proving up 50-80mt of ore grading between 0.01-0.20% uranium oxide amenable to ISR at Mullaquana.

The company's drill programme at Blackbush over the next six months includes drilling extensions to the resource to increase the prospect's thickness and average grade. UraniumSA also plans to initiate project funding talks over the next six months to obtain the financial and technical resources required to commercialise Mullaquana.

Bluck said that the sedimentary-hosted mineralisation at Mullaquana was a roll-front style and over the next six months, the nearby Samphire and Plumbush prospects would also be tested. UraniumSA also hoped to discover new prospects around the Blackbush "hub" and evaluate the uranium-anomalous granite that underlies the prospects for hard-rock targets.

In a research note by BGF Equities released in late February, Warwick Grigor said Urani-

umSA's recent resource upgrade represented "one of the most exciting new discoveries in Australia, in South Australia. This will become a mine".

"This announcement far exceeds our expectations as it is hitting jackpot zones we didn't know existed."

Grigor said that everything pointed to a boost to the orebody's grade. "The previously announced resource, of 2,700t @ 200-210 ppm was dismissed as being too low by some (even though it is the permeability that is more relevant). However, this latest round of in-fill drilling is suggesting that we could see a lift in the grade to 400-500 ppm. This should be very profitable, taking into account all the other aspects of shallow depth (50m) and favourable location regarding infrastructure."

Grigor added that 31 of the 70 mud and core holes had given intercepts of more than 1,000 ppm, noting that anything above 500 ppm would be considered economic.

"We expect to see major increases on the current resource of 2,700t uranium oxide, with 10-20,000t this year quite possible, at better grades." Grigor rates the stock as a "high-conviction buy".

- Barry Avery