

Media Release

Thursday 24 February, 2011

**URANIUMSA MARCH 2011 EXPLORATION
OBJECTIVE OF ~20,000t U₃O₈**

(Mullaquana Uranium Project - Eyre Peninsula, South Australia)

UraniumSA Limited has confirmed that it is on track to achieve its previously announced exploration objective of having ~20,000t of U₃O₈ mineralisation in Inferred Resources at its South Australian project, by the end of March 2011.

The Company believes that the present drill out of the Plumbush Prospect at the Mullaquana Project, southwest of Whyalla, has the potential to replicate the existing nearby Blackbush Prospect Inferred Resource of ~12,700t of U₃O₈ mineralisation.

Both prospects are within the Mullaquana Project area located some 20km southwest of Whyalla on South Australia's Eyre Peninsula.

Speaking in Melbourne today to shareholders and investors, the Company's Managing Director, Mr Russel Bluck, said the 20,000t of U₃O₈ mineralisation exploration objective (equivalent to ~40 million pounds) is the next stage of the planned growth of the Mullaquana resource base which underpins the Company's market capitalisation.

"We commenced drilling at the Mullaquana Project again late in January and have had to contend with recurrent heavy rain events. Despite this, we are well along with the Plumbush Prospect drill out, and also with getting the necessary work completed at the Blackbush Prospect to advance it towards an ISR field trial," Mr Bluck said.

"We remain confident that we can achieve our objectives for this first quarter of 2011 – doubling our mineralisation in Inferred Resources, and staying on track to commence field trials later this year," he said.

"It is a key timeline for us if we are to stay on track to grow our tonnes of mineralisation and to commence the in-situ field trial in the final quarter of 2011," Mr Bluck said.

"We have every confidence that we can achieve the targeted growth as the envelope of mineralisation at Plumbush Prospect remains open in several directions and the drilling is intersecting good grades and thicknesses.

“At the nearby Blackbush Prospect, the tonnage-grade data released late last year tells us that any future operations will have real options to vary extraction grades, and hence operating margins, to adapt to future changes in commodity prices and other uncontrollable variables.

“This is shaping up as a very robust resource.”

The Blackbush Prospect passed the first of its significant regulatory hurdles earlier this week when the proposed field trial was advised to be “not a controlled action” under Commonwealth environmental regulations. This means that the next stages of the regulation and development process will be managed by South Australian authorities.

Mr Bluck said that subject to technical results and regulatory outcomes, UraniumSA would commence field trials late in 2011.

As these field trials would provide real operating information, applications for production tenure would be lodged and, subject to due process, the Company anticipated achieving maiden production towards the end of 2012 or early in 2013.

He said that within that projected schedule, the first production-related site works could commence in the 3rd to 4th quarter of 2012. All being well, this would lead into initial production at a nominal rate of 100 tonnes per annum (tpa) of U₃O₈, building towards 400 tpa by mid to late 2013.

Mr Bluck said: “If these timelines can be achieved, UraniumSA will be producing at a rate of ~400tpa U₃O₈ in December 2013 – six years after the initial announcement of the discovery of sediment hosted uranium mineralisation in the first rotary mud exploration drill hole into the Mullaquana Project”.

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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.