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Mullaquana project on track

Uranium SA is on track with its Mullaquana Project field trials and will achieve 20,000t uranium oxide exploration objective by next month.

The company has received written notification from the Federal Government Department of Sustainability, Environment, Water, Population and Communities that the referral decision regarding its Mullaquana Project field trial was not a controlled action if undertaken in a particular manner.

Managing director Russel Bluck said the decision was the first step in the regulatory process administered by Commonwealth and State agencies that UraniumSA has to complete to be allowed to commence its proposed in-situ recovery field trial at the Blackbush Deposit.

The company is progressing work on the development of

documentation supporting an application for a retention lease (a type of mining lease) which would be sought under the South Australian Government's Mining Act.

"We commenced drilling at the Mullaquana Project again late in January and have had to contend with recurrent heavy rain events," Mr Bluck said.

"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.

"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.

"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 subject to technical results and regulatory outcomes, UraniumSA would commence field trials late in 2011.

He said the 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.

Mr Bluck said within that projected schedule, the first production-related site works could commence in the third to fourth quarter of 2012.

He said all being well, this would lead into initial production at a nominal rate of 100 tonnes per annum (tpa), building towards 400 tpa by mid to late 2013.