



Positive outlook for Uranium SA

Uranium SA's quarterly report was released on Thursday July 28.

The report is positive for the company and for greater exploration, projects and employment prospects in the region.

It outlines an increase in its inventory of uranium mineralisation in the Australasian Joint Ore Reserves Committee (JORC) Inferred Resource.

The increase comes in the form of 19 thousand tonnes (or 42 million pounds) of U308 in its Blackbush and Plumbush deposits in the Mullaquana Uranium project located south of Whyalla.

U308, or yellowcake as it's otherwise known, is an impure mixture of uranium oxides obtained during the process of uranium ore.

International figures for the

uranium industry indicate only 20 per cent of uranium deposits will have more than 10 thousand tonnes of U308, making Uranium SA's discovery of 19 thousand tonnes one of significance.

The regulatory and technical work, now underway to advance the Blackbush deposit through a field trial and into production, is delivering positive results.

Steps towards this include an application for a Retention Lease from the South Australian Government to be lodged shortly with a determination anticipated by the end of 2011.

The company's maiden production for the Blackbush project is targeted for 2013.

The maiden Inferred Resource estimate of mineralisation for the

Plumbush deposit, already underway in production, comprises of 21.8 million tonnes of mineralised material overall with an estimated 6300 tonnes of U308 alone.

The envelope of mineralisation at Plumbush is open some 2.5km to the southwest and remains open to the north and northeast.

Drilling is anticipated to continue to increase the size of the resource.

There has also been examination and analysis of the uranium mineralised clay altered granite core recovered from basement below the Blackbush mineralisation.

Uranium SA's joint ventures have also reaped some good potential opportunities during the quarter.

Three holes were drilled into the northwestern corner

of the Stellar Resources Limited area (ASX code SRZ) to infill previous wide-spaced drilling.

One of the three holes intersected significant mineralisation.

Further drilling will be required to better define the extent of this zone to the south along strike.

Work has also commenced on mobilisation of staff and equipment for the Tarcoola Project (Kingoonya Paleodrainage System), which will be an operations base to support Uranium SA's next round of field operations in the district.

Continued exploration and production in this area will grow the company's resource base with further updated estimates to be released during 2011.