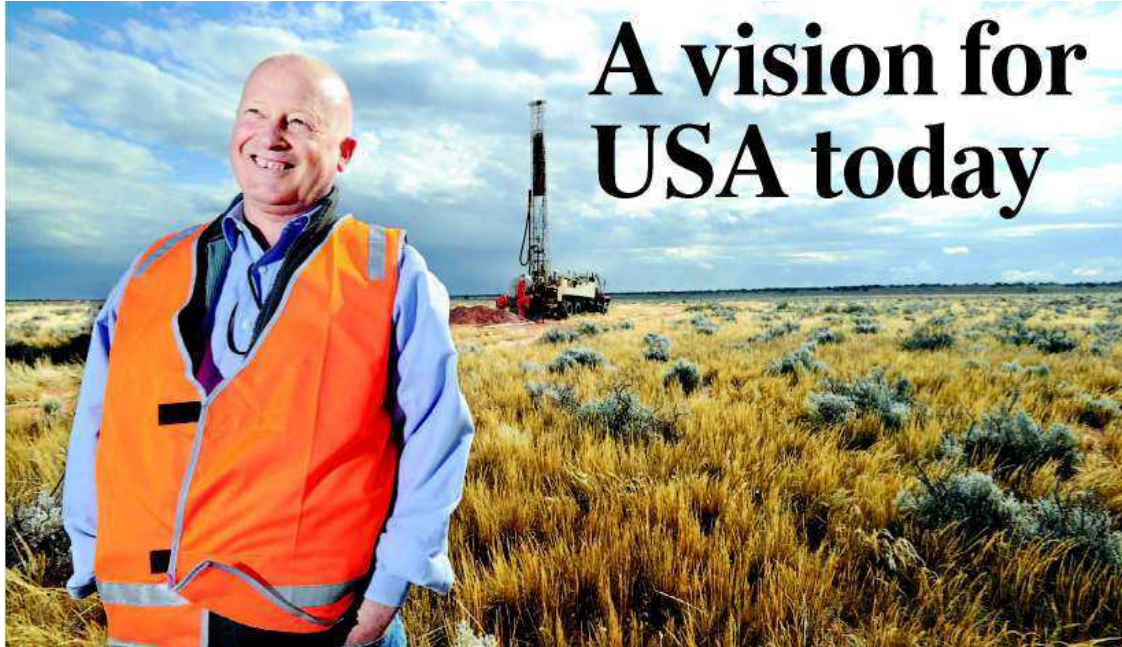




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**CONFIDENCE:**  
 Russel Bluck at  
 the Samphire  
 project near  
 Whyalla.  
 Picture: NAOMI  
 JELICOE



**U**RANIUMSA'S Samphire project near Whyalla will go ahead. It's just a question of timing and size, managing director Russel Bluck says.

On a blustery day perhaps more suited to the marketing of wind turbines than uranium mines, Mr Bluck last week took a group of investors on a tour of the company's project, which is a mere 20-minute drive out of town.

His philosophy is simple: The company is focused on one mineral, in one region, and has a deliberate staged approach to what it is doing.

So far the strategy is paying off.

Since listing five years ago this month, the company discovered uranium in 2007, has proved up an inferred resource of 19,000 tonnes and is aiming to start field trials of its in situ recovery mining method in the first quarter of next year.

The aim is to submit a mining proposal around the middle of next year, with full-scale mining starting as soon as late 2012.

The company's base case scenario would envisage the mine producing 600 tonnes of uranium a year. Such a project has been costed at \$75.8 million to build and would generate positive cash flow over a 10-year mine life.

The company has calculated that the net present value of the project, which is the total cash generated in today's terms, would be \$134.7 million.

Not all junior uranium companies have been so lucky, or as Mr Bluck would put it, diligent and focused.

USA was one of a flurry of companies which listed on the Australian Securities Exchange in the pre-GFC days, when uranium stocks were the flavour of the month.

Numerous companies were floated

on the ASX during 2005 and 2006, with many of them considered pretenders by industry analysts. Others were really focused on other minerals, but emphasised their uranium assets to excite a heated market.

Not surprisingly, most of these companies have failed to make serious discoveries, let alone define a mineable resource.

Having weathered the GFC and proved its discovery credentials, Mr Bluck is now focused on getting USA to the mining stage. And he's supremely confident.

"Production for me is a certainty. It's just a matter of when we achieve it," he said.

"The whole design of the work we do at the moment is to keep mitigating those risks and increasing our confidence in our timelines."



***It's a project which will happen and will be economic***

Mr Bluck said there had been challenges. The metallurgy was particularly difficult, with each in situ recovery project having different chemistry which affects factors such as mineral recovery.

Mr Bluck has built a strong team around him, which has been a key factor in gaining the endorsement of BGF Equities executive chairman and uranium specialist Warwick Grigor, who is also an adviser to the company.

"What we've seen over the last three years in particular, there's been concentration of more expertise in this company that gives us more confidence that they're on the right track," Mr Grigor said.

"It's a project which will happen and will be economic, I don't think there's any doubt about that. UraniumSA will not be one of those companies which falls by the wayside just because the uranium price is down."

Mr Bluck is also passionate about communicating with the local community, realising that uranium mining is as political as it is technical.

"In uranium, transparency is absolutely critical. If people even suspect you are hiding something, you're dead, and we sat down and quite deliberately made that decision early on: we're going to be part of the community and make sure that as many as people as we can know us."