

Tuesday, 24 July 2007

AUSTRALIAN STOCK EXCHANGE LIMITED
COMPANY ANNOUNCEMENTS OFFICE



ASX CODE USA

DRILLING PROGRAMS

UraniumSA (ASX: "USA") is pleased to report assay results from the recent initial reconnaissance air core drilling program on the Company's Eastern Eyre Peninsula uranium projects in South Australia.

Significantly, the various Eastern Eyre Peninsula results have yielded new data that not only supports our exploration models but has provided the Company with even greater confidence in its efforts to find commercial uranium deposits in the region.

The Company also advises that it has in the past week commenced air core drilling on the Muckanippie Project within the Kingoonya Palaeodrainage prospects, also in South Australia.

Please refer to the map at the end of this release for the locations of the projects being reported on.

Results of air core drilling - Eastern Eyre Peninsula

1. Eastern Eyre Peninsula

The assay results now available are from the recent air core drilling of the Cleve, Tumby Bay and Mullaquana projects on Eastern Eyre Peninsula.

At **Cleve** the drilling - along previously reported Induced Polarisation profiles - located uranium anomalies that support the exploration models proposed by UraniumSA. The results have dramatically enhanced the possibilities for the discovery of uranium associated with the unconformity at the base of the Blue Range Beds.

This project is being advanced towards the drilling of deep holes targeting high-grade uranium mineralisation.

At **Tumby Bay**, reconnaissance drilling intersected altered and uranium anomalous rocks that may indicate an occurrence of uranium mineralisation of the Hospital Prospect style. Testing of a modern drainage system within the tenement found favourable source rocks and a permissive, but fully oxidised, sediment section - exploration will continue for redox fronts within the system.

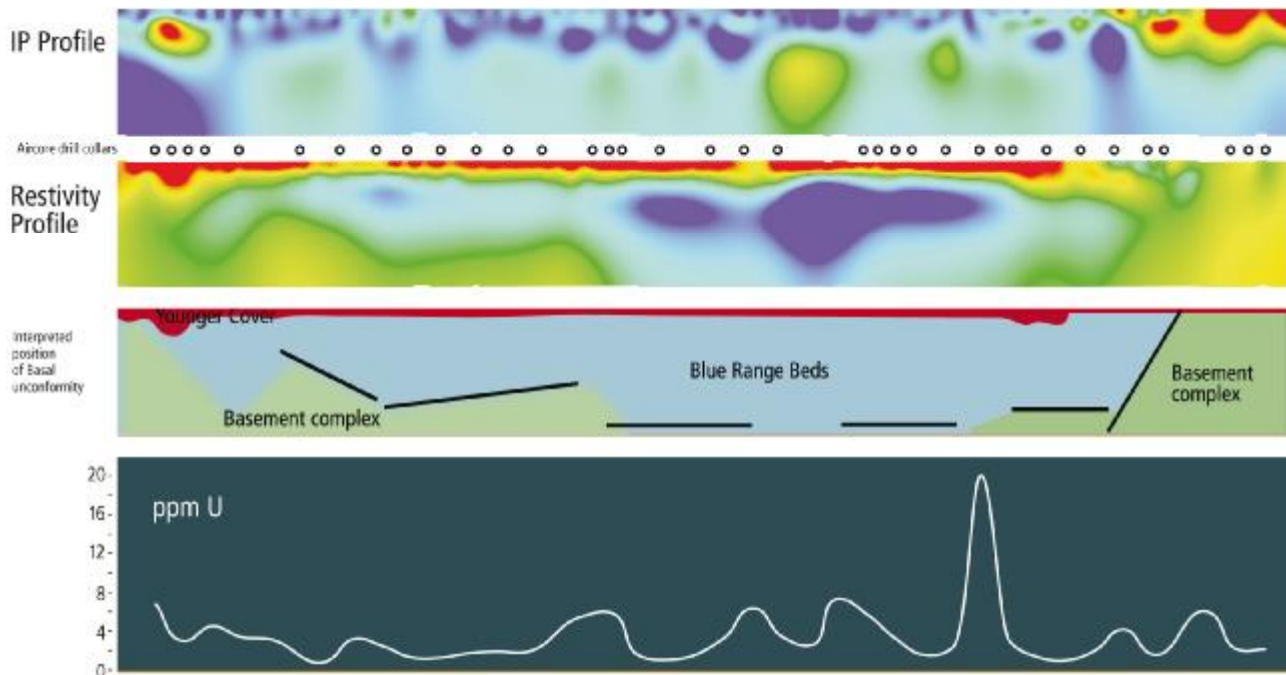
At **Mullaquana**, two regional reconnaissance drill traverses extending across the negative aeromagnetic anomaly returned anomalous copper and uranium values.

1.1. Cleve Project - "very positive result"

The main exploration target being pursued in the Cleve area is high-grade uranium mineralisation occurring at the unconformity at the base of the Blue Range Beds. A reconnaissance Induced Polarisation survey was carried out earlier in the year to map out the structure of the Blue Range Beds (March 2007 Quarterly Report). The purpose of the air core drilling was to penetrate the younger cover that blankets the area to search for uranium

geochemical anomalies formed by leakage up structures within the Blue Range Beds from mineralisation located along the basal unconformity.

The section below (line 6268000N, 7.3km east west) shows a clearly defined uranium anomaly located above a structural break through the basal unconformity of the Blue Range Beds. This very positive result from the air core drilling, along with information from the historic Ben Buy Southeast uranium prospect that is located on a faulted basal contact between the Blue Range Beds and basement rocks, reinforces the Company's opinion that the area is highly prospective for the occurrence of unconformity styles of mineralisation.



The results obtained to date on this project are consistent with the exploration model being pursued with the air core drilling anomaly potentially reflecting uranium mineralisation along the unconformity at the base of the Blue Range Beds. The Company anticipates that further analysis of the data will continue to strengthen the prospects for discovery of uranium mineralisation at this position. Work now commence on the systematic surveys required to locate the best surface position for deep drilling (up to 600m) to test targets at the unconformity.

The results of air core drilling over the copper-in-water geochemical anomaly elsewhere in the Cleve project have not yet been assessed. Uranium values up to 16.4ppm (background 3.6ppm) occur within that target zone.

1.2. Tumby Bay Project – “extremely encouraging”

In this area the Company is searching for repetitions of the high grade uranium mineralisation found in the Hospital Prospect at Port Lincoln (refer to page 16 of the UraniumSA Prospectus), and roll front uranium sourced from local background mineralisation and occurring within modern drainage systems. Twenty-eight air core holes were drilled, seven intersected anomalous uranium (maximum 66ppm, background 5.5ppm).

Five bedrock targets were tested by twelve air core drill holes, four of the holes returned anomalous uranium values. Holes T1 to T3, drilled as a single profile at approximately 100m centres, intersected iron stained quartzite with chlorite, clay and hematite alteration with a maximum value of 66ppm uranium. This combination of chlorite-hematite alteration with significant uranium anomalism is what would be expected in the halo about a Hospital Prospect type system and is an extremely encouraging result.

A profile of fourteen air core holes was drilled across an airborne uranium channel anomaly within a small modern drainage system. Holes were up to 30m deep and intersected a sequence of red clay overlying variably bleached and oxidised clay, silt and sand on a basement of quartzite and schist. Down hole radiometric logging

returned numerous high-order responses which were not supported by uranium assaying, but three of the fourteen bottom hole samples (basement) returned anomalous uranium assays (maximum 23ppm on a background of 6.5ppm).

The results of the drilling within the drainage confirm that the basement rocks are locally enriched in uranium and are a potential source of uranium for roll-front deposits. The sediment section has the potential to host uranium mineralisation at redox fronts located down gradient from the oxidised areas that were tested by the drilling. The radon gas causing the high gamma counts in the oxidised sediments is confined between impervious clay layers and is presumably derived either from the local uranium-rich basement rocks, or from uranium at redox fronts elsewhere within the system.

1.3. Mullaquana Project – “Copper-uranium anomalous units”

Target in this project area is mineralisation associated with magnetic-destructive alteration within a regional scale fold and about granite intrusive bodies, and uranium within younger cover sequences. Seventy three holes were drilled along three road traverses across the area. Anomalous uranium and copper results were obtained (uranium maximum 14.85ppm background 3.05ppm, copper maximum 327ppm background 72ppm).

While a complete review of the results has not been completed it is apparent that there are several copper-uranium anomalous units in the west of the area, and in the east there are uranium anomalies associated with a granite margin.

Commencement of air core drilling - Kingoonya Palaeodrainage

2. Muckanippie Project

Air core drilling has commenced within the Muckanippie Project. The drilling contractors mobilised into the area the week ending Friday 20th July 2007.

The initial drilling will target the thalweg (deepest part of the channel) of the palaeodrainage as indicated by the recently completed airborne electromagnetic survey. The objective is to confirm the existence and depth of the channel as a basis for planning systematic drilling. A minimum of 30 holes will be completed at Muckanippie before the rig moves on to repeat the exercise within the Kingoonya Project area.

The holes will be geologically and radiometrically logged and samples submitted for analysis. Results will be reported to the market in a timely manner.



About UraniumSA Ltd

UraniumSA is an Adelaide-based uranium-only explorer specialising in palaeochannel or rollfront and unconformity styles of uranium mineralisation within a substantial portfolio of properties in South Australia's Gawler Craton. The focus of the rollfront uranium search is within its substantial tenement holding over the highly regarded Kingoonya Palaeodrainage System which hosts the Warrior and Ealbara uranium prospects in adjoining tenements. On the eastern seaboard of Eyre Peninsula, UraniumSA's acreage features altered and potentially uranium mineralised unconformities of the style which host the majority of current world uranium production.

The Company's growth strategy is founded on a well established collaborative business model and a balanced vision for the development of its exploration assets. The Company is pioneering long-term technical and educational relationships with key potential stake holders and project partners in China and elsewhere and is well placed to generate, in time, significant value to our shareholders.

The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. R.G. Bluck (Member of the Australian Institute of Geoscience) who has more than twenty years experience in the field of activity being reported. 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.

Russel Bluck
Managing Director
UraniumSA Limited