



Monday 30 July 2007

**AUSTRALIAN STOCK EXCHANGE LIMITED  
COMPANY ANNOUNCEMENTS OFFICE**

**ASX CODE USA**

## **ACTIVITY REPORT PERIOD ENDING 30<sup>TH</sup> JUNE 2007**

### **OVERVIEW**

UraniumSA has continued to advance the exploration of its South Australian properties towards the discovery of mineralisation. The Company has completed initial geophysical surveys over its key tenements and is now well advanced with first-pass air core drilling to generate geological and assay data to refine the initial interpretations and models of mineralisation.

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

### **Exploration overview**

**Kingoonya Palaeodrainage System** project – Tarcoola, Kingoonya and Muckanippie.

- An AEM survey was completed on schedule during the quarter and has provided a remarkably clear image of the palaeodrainage system, defining the main channel and tributary systems and mapping in extensive overbank deposits.
- Air core drilling to provide a geological proofing of the interpretation of AEM images has commenced on schedule.

**Eastern Eyre Peninsula** project – Cleve, Tumby Bay and Mullaquana tenements.

- At **Cleve** air core drilling - along previously reported Induced Polarisation profiles – was completed to schedule and 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. *The project will now be advanced towards the drilling of deep holes targeting high-grade uranium mineralisation.*
- At **Tumby Bay**, reconnaissance air core drilling was completed as scheduled and intersected altered and uranium anomalous rocks that may indicate an occurrence of uranium mineralisation of the Hospital Prospect style. Drill 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 air core drill traverses extending across the negative aeromagnetic anomaly were completed as scheduled. The drilling returned anomalous copper and uranium values.

### **Corporate overview**

- Priority Offer for UraniumSA shareholders in the Archer Exploration IPO. The company which will trade under the ASX code of “AXE” is scheduled to list 14<sup>th</sup> August 2007.
- Bonus Options exercised during quarter totalled \$9,919 as at 30 June 2007.
- Cash on hand at 30 June 2007 was \$4,645,000.
- Professional exploration team completed.
- Drilling rig and support equipment completed.

### **Projected activity to end 30 September 2007**

- Completion of reconnaissance air core drilling to verify the imaging of AEM data from the Kingoonya Palaeodrainage System. The air core drilling will cover the Muckanippie and Kingoonya tenement blocks and may extend into parts of the Tarcoola tenement block.
- Design and commencement of ground surveys to define drilling targets within the Cleve tenement. This work will extend into the December quarter.
- Field work at Tumby Bay to follow up results of the air core drilling. The work will focus on identifying bedrock anomalies and mapping out modern drainage systems for later drill testing.
- At Mullaquana, completion of the assessment of the air core data and the identification of targets in bedrock for follow up. Several holes will be drilled to test deeper sediment sections in the east of the area.
- Commissioning of the Company’s rotary mud drilling plant.
- Commissioning of the company’s down hole logging unit.

## EXPLORATION DETAIL

### ***KINGOONYA PALAEO DRAINAGE SYSTEM project***

#### ***Airborne electromagnetic survey***

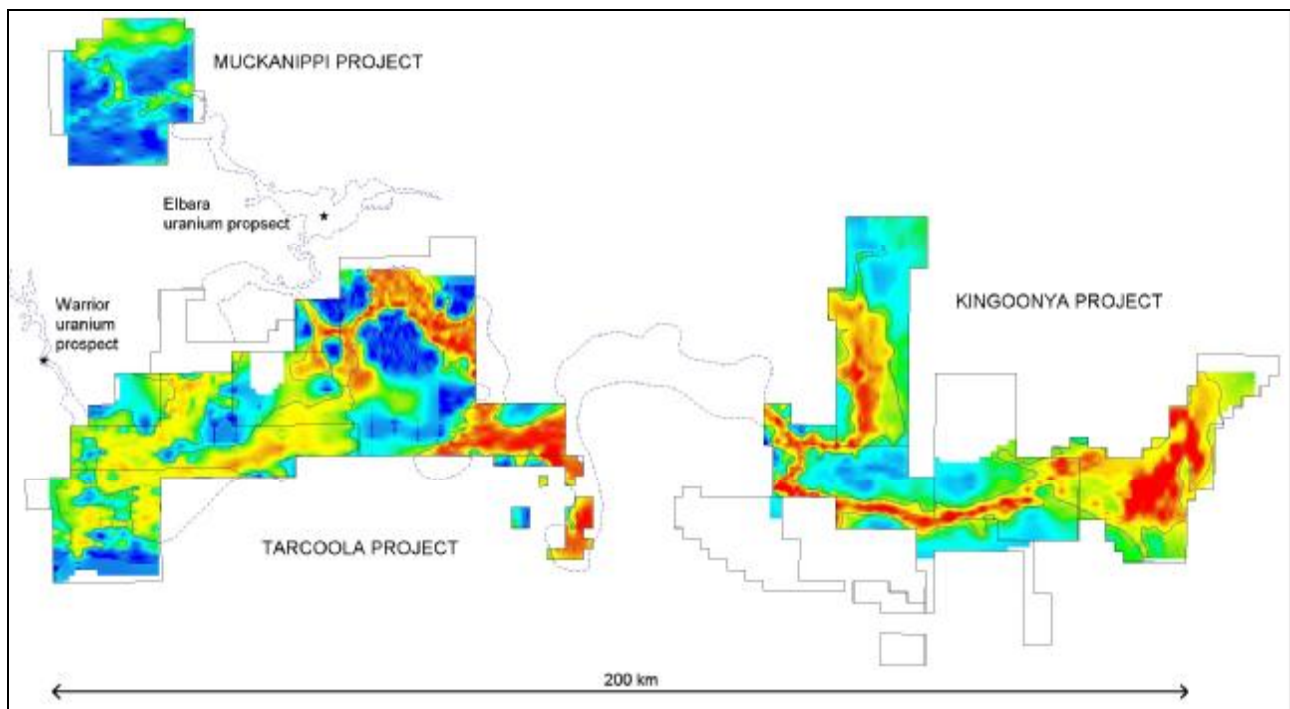
The RepTEM survey of the Tarcoola, Kingoonya and Muckanippie tenements in the Kingoonya Palaeodrainage System project area was completed, clearly defining a large palaeodrainage system containing in excess of 350 kilometres of main channels and tributaries. The palaeodrainage systems are complex and extensive with a large number of sites favourable for hosting uranium.

Palaeodrainage systems are well developed in the **Muckanippi** tenement with the data indicating a shallow southeast trending tributary to the Kingoonya Palaeodrainage System, and a potentially larger system trending to the north and east. Reconnaissance air core drilling to test the geological reliability of the imaging was commenced in late June 2007.

Basement conductors are present in the AEM data and they will be evaluated as potential base metal targets.

In the **Kingoonya** tenements, the drainage system is very clearly defined and mixed fluvial and lacustrine environments provide an excellent range of prospective targets. This area has never been explored with drilling for sediment hosted or roll-front uranium mineralisation and is regarded as highly prospective. Reconnaissance air core drilling to test the geological reliability of the imaging was commenced in late June 2007.

Within the **Tarcoola** tenements, the drainage system is large, well defined, and internally complex. Bends and tributary junctions downstream of the known Warrior and Elbara uranium prospects and other basement source areas are particularly prospective.

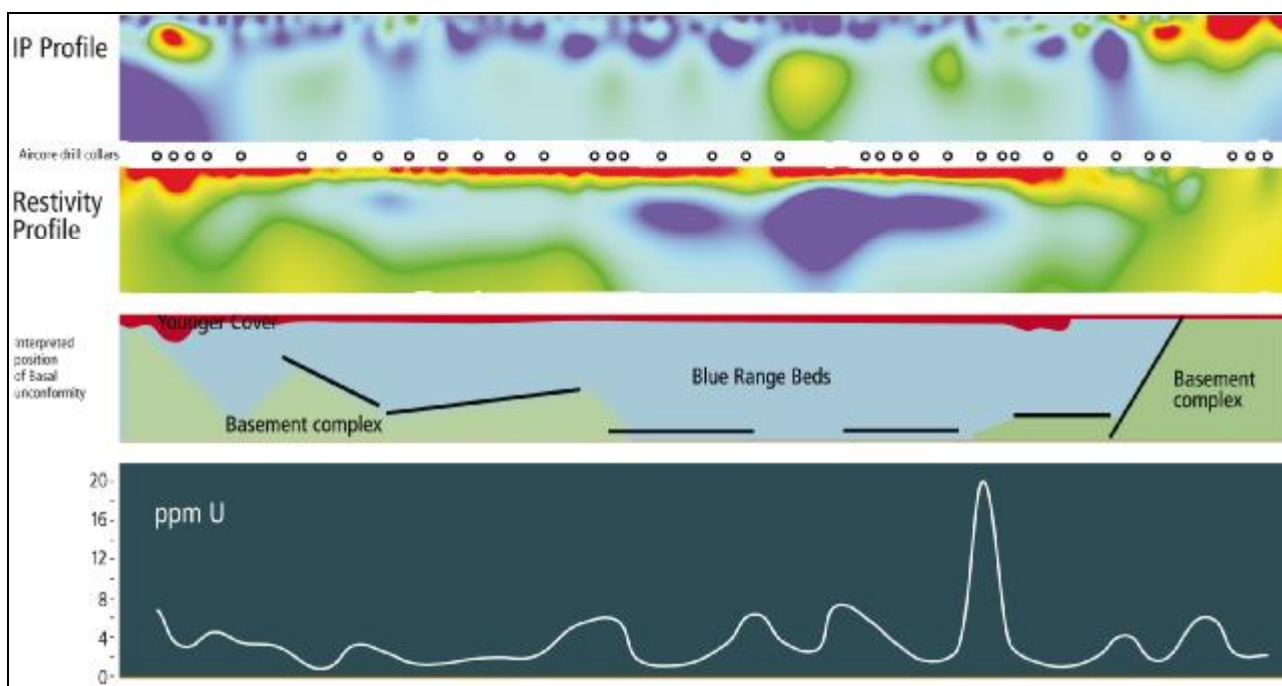


## **EASTERN EYRE PENINSULA**

### **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 will 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.

## **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, which is assumed to be the cause of 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.

## **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.

## **CORPORATE DETAIL**

The negotiated Priority Offer for UraniumSA shareholders in the Archer Exploration IPO was completed with excellent support from shareholders resulting in the Priority Offer closing over subscribed after being open for only a few days. Archer Exploration Limited will trade under the ASX code of "AXE" and is scheduled to list 14<sup>th</sup> August 2007.

Bonus Options exercised during quarter totalled \$9,919 as at 30 June 2007.

Cash on hand at 30 June 2007 was \$4,645,000.

As advised in the March 2007 quarterly report, the Company's expanded professional exploration team all commenced employment during the June quarter.

The mud drilling rig acquired in the USA arrived in Melbourne in early July and all support equipment for the drilling operation was assembled during the quarter.



*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