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Thursday, 17<sup>th</sup> April 2008

AUSTRALIAN SECURITIES EXCHANGE LIMITED  
COMPANY ANNOUNCEMENTS PLATFORM  
ASX CODE USA



## ADVANCING THE MULLAQUANA DISCOVERY

### *Mullaquana project*

Following its discovery of sediment-hosted uranium mineralisation in its 100% owned Mullaquana project, immediately south of Whyalla in South Australia, UraniumSA is pleased to advise that it has;

- Ø optimised its first-mover advantage in this new district by consolidating control of the southern extensions of the prospective stratigraphy through Joint Venture.
- Ø continued its successful exploration strategy by acquiring a second drill plant specifically to work on this project.

The Mullaquana project (Exploration Licence 3652) is located on the Eastern Eyre Peninsula, some 23km south of the industrial city of Whyalla. Land tenure is predominantly privately owned perpetual leasehold pastoral land with limited areas of Crown land. The region has a stable and skilled workforce and extensive, well established infrastructure.

### *Eastern Eyre Peninsula Joint Ventures*

UraniumSA has agreement in principle to Joint Venture with;

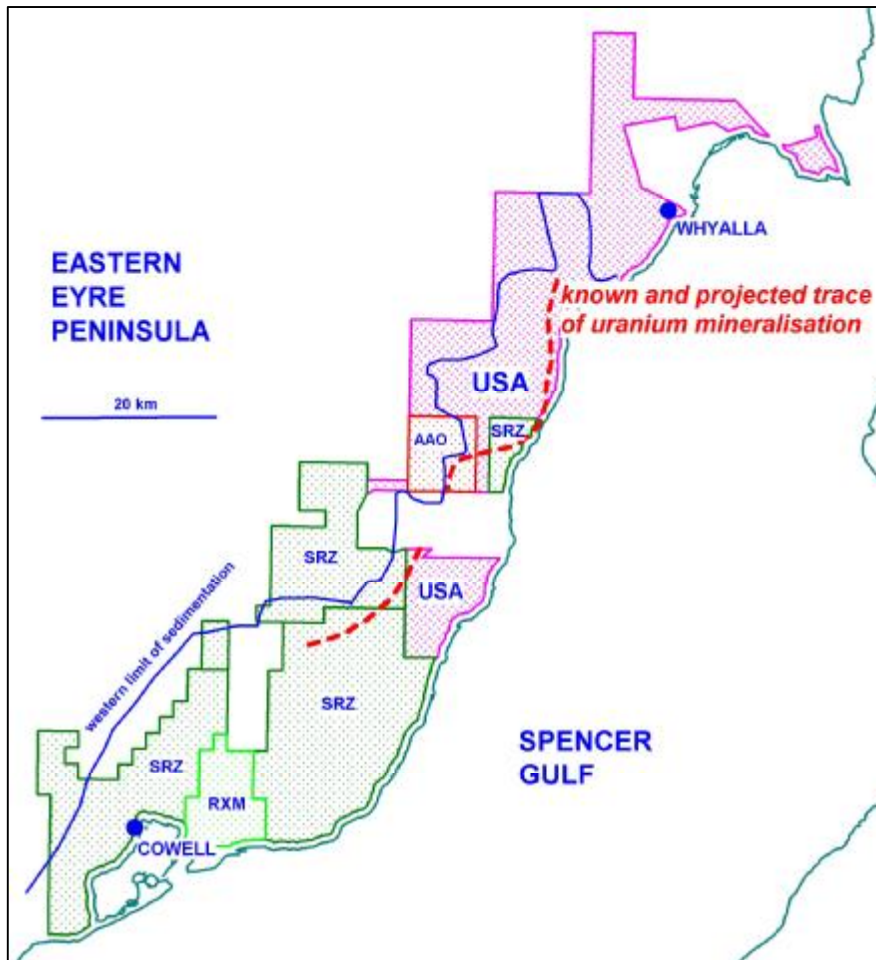
- Ø Australasia Gold Limited (AAO)
- Ø Rex Minerals Limited (RXM)
- Ø Stellar Resources Limited (SRZ)

over tenements which these companies own that cover the southern extensions of the host sequence to the Mullaquana discovery. The terms of all three agreements will be similar and provide for UraniumSA to earn a 70% interest in the younger cover sequences that are host to the Mullaquana style uranium mineralisation, with AAO, SRZ and RXM each retaining a 30% free carried interest in the younger cover sequence and retaining a 100% interest in all mineralisation in bedrock. Each of the individual Joint Venture agreements will contain provisions specific to the tenements and parties, and will be subject to Ministerial consents. The general area of the Joint Venture is shown in the attached figure; specific details of the tenements and agreements will be released to the market when documentation is completed..

### *Drilling plant*

UraniumSA has purchased a second Mayhew 1000 rotary mud drill rig and is acquiring and building other equipment to duplicate its existing drilling plant that is now working on the Kingoonya Palaeodrainage Project. The completed drilling plant will work exclusively on the Mullaquana project enabling UraniumSA to conduct continuous exploration of its own tenure and the adjoining Joint Venture areas.

## Map of the EEPJV



### Exploration Licence Holder

USA – UraniumSA Ltd

AAO - Australasia Gold Ltd

SRZ - Stellar Resources Ltd

RXM - Rex Minerals Ltd

## **Mobilisation**

The drilling plant that is being purchased and built to work on the Mullaquana project and Eastern Eyre Peninsula Joint Ventures will comprise;

- Ø fully refurbished Mayhew 1000 series rig with the capacity to drill to in excess of 200m.
- Ø water tanker with a capacity of ~10,000 litre with associated pumps and equipment.
- Ø backhoe for the excavation of drill sumps, and the establishment and rehabilitation of work sites.
- Ø dedicated down-hole logging truck equipped with modern GeoVista winch, down-hole spectral sonde and resistivity sonde.
- Ø fully equipped service truck.

Mobilisation of the drill plant into the area is scheduled for early June 2008.



UraniumSA is an Adelaide-based uranium-only explorer specialising in sediment-hosted and unconformity styles of uranium mineralisation within a substantial portfolio of properties in South Australia's Gawler Craton.

The Company has discovered sediment hosted uranium mineralisation at Mullaquana. The mineralised trend has been traced out by drilling for 11km and remains open in both directions.

The Kingoonya Palaeodrainage System is the focus of the tenement portfolio. It hosts the Warrior and Ealbara uranium prospects in adjoining tenements. AEM surveys by USA have mapped out the architecture of the palaeodrainage system. Systematic exploration drilling of the palaeodrainage has commenced and will continue for the foreseeable future.

UraniumSA owns and operates its own Mayhew 1000 rotary mud drill rig, associated drilling plant and a down hole logging unit. This enables the Company to maintain a continuous program of drill testing of its exploration tenure.

Russel Bluck  
Managing Director  
UraniumSA Limited

*The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. Russel Bluck a Member of the Australian Institute of Geoscience and an employee of UraniumSA Limited. Mr Bluck has sufficient experience relevant to the style of mineralisation and type of deposits being considered and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). 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.*